

Parisians balk at Disney's designs

By Andrew Jack in Paris

In the latest culture clash between France and the US, Paris has snubbed the Disney group's plans to promote its film "The Hunchback of Notre Dame" by building a medieval village next to the cathedral.

Gaumont-Buena Vista, the joint venture between the French Gaumont cinema company and the Disney Corporation of the US for promoting the two group's films, planned a series of events from mid-September next to Notre Dame.

It wanted to build a complete village - to host visits from school groups as well as corporate guests - which would have existed for two months. The film would have been shown on a huge screen nearby on the banks of the Seine.

"There is only one Notre Dame in the world," says Mr Pierre-Ange Le Pogam, head of Gaumont-Buena Vista. "It was not the first time we have launched grandiose projects like this."

However, the plan ran into bitter opposition from residents on the Ile de la Cité worried about the disruption, shopkeepers concerned about their trade, and ecologists fearful about the damage to the square next to the cathedral.

No-one wants to take full responsibility for abandoning the project. The City of Paris says it was a police decision in view of safety considerations and the objections by Cardinal Jean-Marie Lustiger, Archbishop of Paris.

Others suggest that while Mr Jean Tiberi, the mayor of Paris, liked the idea at first, he did not want to resist growing opposition at a time when he was under close scrutiny over allegations regarding city-controlled apartments in which his children lived.

The archbishop's office denied it had vetoed the idea, but said it had not been consulted in advance. "We wanted the events to respect the religious life of the cathedral. The village was practically glued to the cathedral."

Mr Le Pogam says simply that it was "a private decision" in the light of a range of difficulties. He has opted instead for a promotional train containing film props.

The episode comes against a backdrop of French ambivalence about US culture. While fiercely defending *francophonie* against the invasion of Hollywood films, successive governments cultivated Disney executives to ensure Paris was chosen as the European site of the Euro Disney theme park. There is also great public interest in US television and US-style fast food restaurants.

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Italy calls for talks on ERM

Lira re-entry is on the agenda but opinions differ widely on the level

By Robert Graham in Rome and David Buchan in Paris

Italy yesterday called for immediate talks on the lira's re-entry to the European exchange rate mechanism, after France and Italy buried their differences over approaches to European monetary union.

Mr Romano Prodi, Italian prime minister, said after a two-day summit in Naples with President Jacques Chirac that technical negotiations should open "as soon as possible".

But the meeting did little to resolve longstanding French grievances over the value of the lira. Statements

by Mr Chirac earlier in the week attacking the Italians for a competitive lira undermining French industry had nearly aborted the summit. It was only saved by deft behind-the-scenes negotiations by diplomats.

The French government remains doubtful about the lira re-entering the ERM at the current level, even though it has strengthened considerably in the past six months against all currencies. The lira was forced out of the ERM along with sterling during the September 1992 currency crisis, and at one stage in 1986 had devalued by almost 40 per cent against the D-Mark.

"We must have re-entry of the lira as quickly as possible, at a sustainable, durable and fair parity," Mr Jean Arthuis, French finance minister, said yesterday.

Now that Mr Prodi's five-month-old centre-left administration has announced its budget, designed to comply with the criteria to participate in monetary union, negotiations on the lira can begin in earnest.

But Italian government officials recognise it will be extremely difficult to balance the conflicting interests of exporters with those of its main trading partners in the EU.

Industrialists have begun to lobby hard to prevent the lira appreciating further, arguing that they would like it held to L1,000-L1,100 against the D-Mark.

The Bank of Italy is understood to have intervened recently on occasions to prevent the lira appreciating. But its value is still conditioned by Italy's high interest rates. The spread against other EU bonds has encouraged investors to buy lire.

Italian officials say the Germans would like the lira to strengthen more, some say even to L900 - it left the ERM at around L765. But the Germans are themselves aware the lira has to enter at a credible level in order to

prevent speculators pushing it out of the ERM. In the case of the French franc, the lira is hovering around L290, compared to an historic weakness of more than L350 in April 1995.

Separately, Mr Prodi said he had sought France's help for the attempt by Alenia of Italy to join the Airbus consortium of French, German, British and Spanish aircraft makers.

In Paris, Aérospatiale, the French member, commented that if Airbus were to decide to build a super-jumbo to compete with Boeing of the US, Italy's financial participation in the project would be welcome.

Apparent rift fuels speculation of a break with the Kremlin

Lebed snubs military talks

By John Thornhill in Moscow

The already tense relationship between President Boris Yeltsin and Mr Alexander Lebed worsened yesterday when the politically ambitious national security chief boycotted the first meeting of the defence council, which the Russian president established to reform the armed forces.

Mr Lebed, appointed in June to oversee military policy as secretary of the security council, appeared to take offence because this rival working group had been appointed to introduce a professional army by the end of the decade.

The former general's aides

did not explain why Mr Lebed failed to attend yesterday's meeting as one of the council's regular members, but added he was working on plans to cement the Chechen peace agreement.

The defence council was founded by presidential decree in July and is nominally headed by the president. But Mr Victor Chernomyrdin, prime minister, yesterday chaired the meeting as Mr Yeltsin remained in hospital ahead of his heart by-pass operation.

There were unconfirmed reports yesterday that Mr Yeltsin had sacked several senior generals.

On Thursday, Mr Yeltsin met Mr Lebed for the first time since the security chief

signed an agreement with the Chechen separatists in August.

Mr Lebed's efforts to bring peace to the war-torn region were praised, but soon after Mr Yeltsin slapped him down in a brief televised statement which said he had rejected the former general's offer to resign over differences about who should supervise military personnel policy. Mr Yeltsin also pointedly instructed Mr Lebed to work more closely with other members of the government.

Russian commentators speculated yesterday that the apparent rift between the two men might lead to Mr Lebed breaking with the Kremlin and emerging as a

powerful opposition figure.

Since coming third in the presidential elections in June, Mr Lebed has openly expressed his ambition to succeed the ailing Mr Yeltsin. Yet, ironically, his political support among nationalists and more moderate communists may have been eroded by his success in Chechnya.

While his peace-making efforts may be popular in the country at large, they appear to have antagonised many nationalists.

Earlier this week Mr Lebed was jeered by several deputies in parliament when he presented his peace accord. Some accused him of "capitulation" in accepting too many Chechen demands.

Gulf grows wider between Armenia and its president

Sander Thoenes reports on the outcome of a flawed election

The campaign posters of Armenia's president, Mr Levon Ter-Petrosian, show him striding forward with a determined frown, his eyes lowered as if to avoid all eye contact.

Even his admirers say the picture tells much about the stubbornness, and aloofness, with which he has pushed through the painful reforms needed to stabilise his country's economy. "They see their president as an unsympathetic, isolated leader who does not have any compassion for their situation," one western diplomat said. "He's become very arrogant."

Last week, Mr Ter-Petrosian looked up and found he had left many of his people far behind. Riots broke out after the first round of presidential elections accused him of rigging the vote to ensure he won 52 per cent of the ballots, just above the 50 per cent minimum required to avoid a run-off. Mr Ter-Petrosian labelled the riot a coup attempt, moved in thousands of soldiers and riot police and detained opposition leaders.

By official count, 59 people were wounded and eight arrested, but diplomats and opposition leaders say more than 200 Armenians have been detained and some seriously beaten. Police backed away from arresting Mr Vazgen Manukian, who ran against Mr Ter-Petrosian and won 41 per cent by official count.

"There was no coup," said Mr Parur Hayrikian, a popular former dissident who spent 18 years in Soviet prisons and gave up his candidacy in favour of Mr Manukian. "There was a clash between demonstrators and police, which happens in many places. People saw that Ter-Petrosian and his lot had cheated them."



Ter-Petrosian: viewed as aloof and isolated

The Organisation for Security and Co-operation in Europe monitored the September 22 poll and concluded earlier this week that "very serious breaches in the election law" caused "concern for the overall integrity of the election process".

It pointed to a disparity of 22,013 between the number of people who voted and the number of voter coupons registered in the official results. Mr Ter-Petrosian passed the 50 per cent threshold by 21,941 votes. The OSCE said Interior Ministry officers had interfered with voting at many polling stations. Election officials, however, have conceded only minor irregularities.

Most in the capital, Yerevan, agreed that the allegations of election fraud merely sparked the unrest. Underneath lay a much deeper frustration with tough reforms that have revived the economy but little else. Wages are the lowest in the former Soviet

Union, averaging \$20 a month. It costs more than \$200 a month to feed a family of four. Unemployment, officially at 9 per cent, is at least 20 per cent.

"People are sick and tired of leading this kind of life," said Gennovikh, a furniture designer. "They are brooding. They thought someone new would come along and give them their bread and butter. They didn't realise it was all a fraud, a mere battle for power."

Mr Ter-Petrosian had been far ahead in the polls until Mr Manukian gained support from other opposition candidates and promised to raise wages 10 times. "The president should have taken notice," one western diplomat said. "He was too complacent."

Shortly before the elections, Mr Manukian's approval rating in the capital rose to more than 60 per cent. "Somebody lost his nerve," the diplomat said. Mr Hayrikian led many of

the protests that followed the first reports of a narrow victory for Mr Ter-Petrosian. "I proposed to continue demonstrations - quiet, peaceful protests," he said. Only hours before the riot, the central election commission had agreed to review complaints but rejected a request from Mr Manukian to recount the votes at selected stations.

Mr Manukian responded by calling on the crowd to follow him to parliament, where he would meet election officials. Mr Hayrikian said that Mr Manukian had suggested staying in the building, with a crowd of 40,000 outside the gates to press his point until his demands were met.

"Manukian wanted to make a show of force; to show the people were not going to give in," Mr Hayrikian said. "He did not consider the consequences." When Mr Manukian did not appear, dozens of demonstrators attacked. "He spoiled it all," said Mr Hayrikian.

Yerevan has remained quiet since. "The people needed to let go of their frustrations, and they did," said Gennovikh. "Now everything will be quiet again. They have seen now what can happen."

But Mr Ter-Petrosian may yet pay dearly for his stubbornness. "He can ignore his own people but he can't ignore the World Bank," said Mr Boris Navasardian, president of the Yerevan Press Club, referring to \$100m in foreign credits that paid for more than a third of this year's budget.

"If the Armenians are not careful the west will come to the conclusion that Armenia has not taken the steps forward to democracy," one diplomat said. "Some people will be less willing to cough up as a result."

Norway's budget swelled by oil

By Hugh Carnegie in Stockholm

The strength of Norway's oil-boasted economy was amply illustrated yesterday when the finance ministry said it planned a large budget surplus in 1997 for the third year running. This is in stark contrast to many European Union countries struggling to qualify for European monetary union.

"The Norwegian economy is in a period of strong growth in employment, production and revenues," said Mr Sigbjørn Johnsen, finance minister in the minority Labour government. "If we look at other countries in Europe, we are in a remarkable position."

Norway, the world's second biggest oil exporter, voted to stay out of the EU in a referendum two years ago, and has had little economic cause to regret the decision.

While Nordic neighbours Sweden and Finland, which elected to join, have laboured to control big budget deficits to meet the targets set for EMU participation. Norway would qualify with ease thanks to its North Sea oil riches.

Mr Johnsen said a continuation of tight fiscal policies next year would result in a general government budget surplus of Nkr54bn (\$8.3bn) - or 5.1 per cent of gross domestic product - assuming an average oil price of \$17.70 a barrel. In a move supported by the central bank, he rejected opposition calls for tax cuts or more state spending on grounds that this would cause the economy to overheat.

As a result of the surplus, the state will have net external assets next year of close to 14 per cent of GDP, up from 7.8 per cent this year. Total oil revenues are expected to reach Nkr65bn.

The state will have Nkr41bn to allocate to the government petroleum fund, which invests surplus oil revenues in low-risk foreign investments to help offset an anticipated financial squeeze early in the next century when oil income will fall, but state pension commitments are set to rise sharply.

The government forecast GDP growth of 3.1 per cent next year, after an expected 5.3 per cent this year; a doubling of inflation from 1.25 per cent and a fall in unemployment to 4 per cent from 4.9 - comfortably the lowest level in the Nordic region.

However, the budget figures did reveal the structural weaknesses in the onshore economy. Without petroleum, Norway would have a large trade deficit. The government foresees a non-oil budget deficit of Nkr24bn next year and the onshore economy is set to grow by 2.5 per cent.

INTERNATIONAL NEWS DIGEST

CIS presidents warn Taliban

Leaders from Russia and four Central Asian states yesterday threatened to use force against the Afghan Taliban Islamic militia if they crossed into former Soviet territory. Mr Victor Chernomyrdin, Russian prime minister, held an improvised two-hour summit in Almaty with the presidents of Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to draft a joint response to a perceived threat from the Taliban troops who have taken over much of Afghanistan.

"We issue a warning. If the conflict spreads beyond the border of Afghanistan into the Commonwealth of Independent States our states will take adequate measures," said Mr Nursultan Nazarbayev, president of Kazakhstan.

He and his colleagues pledged to avoid interfering in the Afghan war. But Mr Islam Karimov, Uzbek president, hinted that support for an Afghan warrior, an ethnic Uzbek who is opposing the Taliban, could be offered.

Italian economy shrinks

The Italian economy shrank 0.4 per cent in the second quarter amid signs of stagnation, according to Istat the official statistics institute. The figures, only marginally changed on the provisional estimate of 0.5 per cent, show the economy growing by 0.7 per cent, but this falls to take account of an expected weak third quarter.

Istat said the economy was flat and in a "stagnation phase", with no sign of serious recovery this year. Compared with the 1995 period, imports of goods and services were down 4.7 per cent and exports 2.7 per cent. The growth figures coincided with the release of September inflation figures showing consumer prices up 0.3 per cent.

On an annualised basis, inflation was 3.4 per cent, the same as in August. Robert Graham, Rome

Privatisation board sacked

The Hungarian cabinet said yesterday it was sacking the entire board of APV, the state privatisation agency, because of illegal payments to a lawyer.

The sackings follow days of pressure from the opposition after it emerged that the board had authorised payments of Ft300m (\$1.9m) last January to a lawyer working without a formal contract and before a tender for the work had been organised in line with APV regulations.

Parliament has also accused the privatisation agency of exceeding its budget and making other unauthorised payments. Virginia Marsh, Budapest

Greek party re-elects Evert

Greece's opposition New Democracy party yesterday re-elected Mr Miltiades Evert as its leader, three weeks after its defeat by the governing Socialists in a general election.

Mr Evert, who heads the conservative party's populist faction, received 103 votes to 84 for Mr George Sourlas, a former economy minister. He resigned as leader after the election but was persuaded to stand again by MPs worried about a party split.

Export growth slows in India

India's export growth has decelerated sharply, renewing fears among industrialists of an economic slowdown. Latest Commerce Ministry data showed exports in the April-August period grew by 9.8 per cent to \$13.5bn, compared with 28 per cent a year earlier; imports rose 4.7 per cent to \$14.9bn, against 37 per cent. Exports totalled \$2.6bn in August, up 2.4 per cent from August 1995; imports fell 0.7 per cent to \$2.9bn.

The trade deficit narrowed by \$500m to \$1.4bn during April-August compared with the same period last year. Lisa Vaughan, New Delhi

Christopher for Mideast talks

Mr Warren Christopher, US secretary of state, will travel to the Middle East today in an attempt to kick-start peace negotiations due to begin tomorrow between Israeli and Palestinian officials.

President Bill Clinton, who earlier this week hosted an emergency summit between Mr Benjamin Netanyahu, Israeli premier, and Mr Yasser Arafat, president of the Palestinian Authority, yesterday said he had asked Mr Christopher to go the region before travelling to Africa. Mr Christopher is expected to have separate talks with both leaders. Judy Dempsey, Jerusalem

South Korea on terror alert

South Korea yesterday went on a terrorist alert in response to Pyongyang's recent threat to retaliate for the death of 22 of its soldiers after they landed in South Korea from their beached submarine two weeks ago.

Security will be tightened at almost 400 public facilities, including airports, ports and nuclear power plants, and protection will be increased for foreign embassies in Seoul. John Burton, Seoul

OBITUARY: EMILE VAN LENNEP

Respected OECD chief

Emile van Lennep, who died on Thursday at 81, was the most enduring of a remarkable generation of Dutch officials who occupied important international financial and monetary positions in the 1970s. He was secretary-general of the OECD from 1969 to 1984 and presided over its expansion to include Australia and New Zealand.

Under Mr van Lennep the OECD became an effective forum in which ministers and officials from the industrialised democracies exchanged views and experiences and tried to develop co-operative strategies to overcome their economic problems.

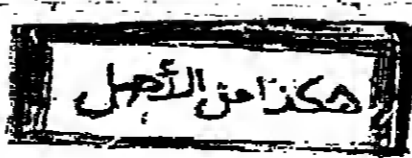
He was a ferociously hard worker and, as befitted an autocratic manager, inspired respect rather than affection. He was a keen sportsman and, in rare moments of informality, revealed a surprisingly deep knowledge of football. Peter Norman, Bonn

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Ruling will boost Foxtel pay-television operation in Australia

Murdoch wins rugby super league court fight

By Bethan Mutton in Sydney and Patrick Harvie in London

Mr Rupert Murdoch's breakaway rugby Super League can go ahead in Australia next year after a federal court yesterday reversed a ban on a rival competition to the Australian Rugby League.

The ruling paves the way for the sport's first global club competition, with breakaway Australian teams now free to compete against the British and French teams in the Murdoch-backed European Super League, which completed its first season this summer, and against teams in New Zealand.

Mr Murdoch, for whom sport has been the cornerstone for building a worldwide television empire, applauded the ruling. "1997 will see the finest rugby league competition ever created," he said.

The unexpected reprieve comes seven months after a judge blocked the Super League because clubs and players had signed loyalty agreements binding them to the Australian league until the end of the 1999 season. However, yesterday's judgment found that the agreements breached the Trade Practices Act, and the relationship between the clubs and the league did not constitute a joint venture.

The media mogul has invested more than \$427m (\$214m) in Super League.



Rupert Murdoch's son Lachlan, managing director of News Ltd, speaks in Sydney yesterday after the court victory

signing up more than 200 top Australian players and eight rebel clubs. Twelve clubs remain loyal to the Australian Rugby League although some are said to be considering defection. The league has not given up the battle. Yesterday, Mr Ken Arthurson, its chairman, said it would appeal to the high court.

However, it is unlikely the appeal could be heard in time to prevent the first Super League season going

ahead. There was still talk of compromise yesterday, but neither side appeared willing to make the first move toward negotiations.

The battle over rugby is closely linked to competition in the fledgling Australian pay-TV market, where all the broadcasters are losing money as they try to build up a subscriber base.

Mr Murdoch's pay-television operation Foxtel has exclusive pay-TV rights to the Super League, while Australian Rugby League matches are screened by its main rival, Optus Vision, and Channel Nine, a free terrestrial network controlled by Mr Kerry Packer.

The go-ahead for Super League gives Foxtel a new lure for sports enthusiasts, in addition to its rights to rugby union matches. Foxtel also has the advantage of links with the European Super League, which may leave Australian league clubs with few opportunities for international matches.

The first international fixture involving Super League stars could come as early as this month. Yesterday the managers of the Great Britain rugby league team currently touring the South Pacific began to organise a game against an Australian Super League team.

Mr Maurice Lindsay, chief executive of the English Rugby Football League, said he wanted to add the match against Australia's Super League side to Britain's tour schedule.

Japan tries to calm dispute over East China Sea islands

By William Dawkins in Tokyo

The Japanese government yesterday sought to defuse tensions with China and Taiwan by withholding official recognition of a lighthouse built by a Japanese rightwing group on a disputed island in the East China Sea.

Government officials agreed to shelve an application by the group, the Japan Youth Federation, to register the lighthouse as an official navigation beacon. Recognition would have inflamed a wave of Asian protests against a perceived revival in Japanese nationalism.

Mr Yukihiko Ikeda, foreign minister, said the decision was in the best interests of "international relations and national security", but emphasised that Japan was not giving up ownership of the Senkaku islands, also

Daiyuu islands: ownership dispute



- First noted on 15th century Chinese maps
- Incorporated into Japanese territory with annexation of Taiwan, 1895
- Japan moves out of Taiwan 1945, following its defeat in the second world war, and US takes control
- US hands Okinawa and Senkaku islands back to Japan, 1972

claimed by China and Taiwan, which call them the Diaoyu and Tiaoyutai respectively. The federation repaired the lighthouse after a typhoon in July, unleashing a diplomatic storm in China, Taiwan and Hong Kong, culminating in last week's demonstration

around the islands, when one protester drowned. The Tokyo government's gesture of appeasement coincided with the failure of official talks yesterday between Japan and Taiwan to reconcile differences over fishing rights around the islands. They broke off without set-

ting a date for fresh talks. It is the second such gesture from Japan in as many days. On Thursday police raided the Youth Federation's Tokyo headquarters, a move intended to show China that the Japanese government disapproves of the federation's activities.

Japan's official campaign to soothe its neighbours has, however, been largely undone by the ruling Liberal Democratic party's attempts to please an influential minority of nationalists in the run-up to the election on October 20.

China reacted angrily to the LDP's election manifesto, unveiled this week, in which the party reasserted Japanese claims to the island and supported controversial visits by cabinet ministers to the Yasukuni shrine, where war criminals are buried.

US bases dominate campaign

By William Dawkins

A leader of an influential new opposition party in Japan has called for the withdrawal of US troops, pushing the US-Japan security pact to the forefront in the Japanese election campaign.

Mr Yukio Hatoyama, joint leader of the Democratic party, a reform-minded group of younger politicians formed only last weekend, said: "In the post-cold war era, I don't want to think that it is natural that foreign troops remain in Japan as an independent country."

Mr Ryutaro Hashimoto, the prime minister, yesterday warned that resolving the problems of the island of Okinawa, home to the largest US base in east Asia, would be the new government's single most important task.

The latest opinion polls suggest that the Liberal Democratic party will emerge as the largest single party after the election but again fall short of a majority.

Until recently, Mr Hashimoto's LDP had assumed that the Okinawan problem had been settled by an

agreement last month between Mr Hashimoto and Mr Masahide Ota, the island's governor, to make US bases less intrusive and step up regional aid.

But the controversy over the future of US troops has been reopened by Mr Hatoyama. His remarks are significant because there is a real chance that his DP, with 10 per cent support in opinion polls, may join the next coalition. If so, it could challenge Japanese administrations' traditional post-war belief in the sacredness of the security alliance with the US. He is also a repre-

sentative of a young generation of politicians, who could do well in the election and who question Japan's subservience to the US.

The current coalition, led by the conservative LDP, is already divided over the US bases. The SDP has been pressing Mr Hashimoto to accommodate, rather than override, objectors to the US military presence in Japan.

Mr Hatoyama's statement shows that the leader of the next government could face the same pressures, a prospect likely to cause some consternation in Washington.

Zaire's ailing Mobutu leaves hole at heart of darkest Africa

Michela Wrong on why the people of one of Africa's worst governed countries are praying their president will recover from cancer

When Joseph-Désiré Mobutu had been in power for seven years, he decided his subjects should henceforth address him as Mobutu Sese Seko Kuku Ngbendu Wa Za Banga: "The all-powerful warrior who will go from conquest to conquest, leaving fire in his wake."

Today, Zaireans are wondering how apt that vainglorious title may prove. Will their president leave a trail of destruction when he quits the stage, pushing a country teetering on the brink of chaos over the edge? Or will Zaire be able to maintain its current miserable status quo?

The debate has been sparked by the revelation that President Mobutu is seriously ill. When he checked into a Lausanne hospital in August, it seemed a simple prostate operation was in order, a common procedure for a 66-year-old man.

Then his stay lengthened and the Swiss foreign ministry extended his residence permit. Reports filtered out that the president had cancer and it was far advanced. No date for his return to his palace in the depths of the equatorial forest has been announced.

The timing is not good. Often viewed as a black hole in the centre of Africa with a dangerous capacity to destabilise its neighbours, Zaire needs strong leadership as never before.

Its Kivu region, flooded by Hutu refugees after the 1994 genocide in Rwanda, is in anarchy. Former Rwandan militiamen, helped by Zairean soldiers, have cleansed the hills of Tutsis, using them as a springboard for attacks on Rwanda.

Relations between Zaire and Rwanda hit a nadir last month when the two countries exchanged mortar fire. Further south, the militiamen are helping Hutu rebels using Zaire as a base for their war on Burundi's Tutsi army.

No one doubts that lasting peace in the Great Lakes region is impossible without Mr Mobutu's participation. A bad time, then, for the Great Lakesman to be ailing, the succession question left unsettled by a man who always avoided naming a

the president dies. But following the sacking of Archbishop Laurent Monsengwo, this post is held by two vice-presidents - a Mobutu loyalist and an opposition member - raising the spectre of endless wrangling.

The army, which destroyed any claims to credibility when it staged two rounds of pillaging in the early 1990s, has been quick to assure the public it is not planning to step into the vacuum, declaring its "attachment to democracy" on national radio.

Few believe such protestations. Most Zaireans assume the group of generals close to Mr Mobutu - General Kpama Baramoto, head of the civil guard, General Nzambi Ngbale Kongo, head of the presidential division, and General Eluki Mongo,

Progress has failed to unite a fractious opposition. Furthermore, he belongs to the Luba community, resented by other Zairean tribes. "Zaireans will never allow a Luba to rule their country. Never," says a government official.

With Mr Tshisekedi out of the running, attention is focusing on Mr Kengo Wa Dondo, Zaire's prime minister. A centrist who served twice before as premier, the intelligent Mr Kengo has struggled with only superficial success to halt the country's economic collapse.

But while he enjoys the support of foreign governments, a big problem remains. As a man of mixed descent - he is half Polish - he could not be elected president unless the constitution were changed.

Whoever the eventual candidate is, he is unlikely to be chosen by the electorate. Elections, the first multi-party challenge for Mr Mobutu in 31 years, are due by next July and Mr Mobutu stood a good chance of winning by exploiting divisions in the opposition. Now postponement seems certain.

"The one thing Zaireans hate is chaos," says a diplomat. "What you will see in the next few months will be an attempt by the political class and army to agree on a consensus candidate allowing them to delay elections."

Whether any successor can hold Zaire together remains to be seen. For years now, many observers have regarded the country as a state only in name. The copper-mining province of Shaba declared autonomy a few years ago, while the diamond-rich province of Kasai uses its own currency. Kivu has closer links with east Africa than Kinshasa.

Yet until now Mr Mobutu's ability to rein in military governors and dispatch elite troops to trouble-spots kept the state a unit. With that gone, the bitter secession struggles that blighted Zaire's post-independence history may return.

That leaves many foreign governments and ordinary Zaireans, however much they may loathe this leadership, praying for Mr Mobutu to recover. "The really embarrassing thing is that after 30 years, this is where we are - hoping to maintain the status quo," says a Zaire-watcher.

But the increasingly inflexible head of the Union for Democracy and Social



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Think-tank says withdrawal from the union might give nation a small economic gain

Quitting EU 'would not incur damage'

By Gillian Tett, Economics Correspondent

Euro-sceptic politicians in the UK were handed fresh ammunition yesterday when a leading free-market think-tank argued that Britain would not suffer any economic consequences if it withdrew from the European Union.

The country would probably make a slight economic gain if it pulled out of the union, the Institute of Economic Affairs said.

The IEA paper, written by

Dr Brian Hindley of the London School of Economics and Mr Martin Howe, a leading lawyer with experience of European affairs, argues that the largest economic burden for the UK at present is the Common Agricultural Policy. The authors calculate that this costs the UK £8.4bn (\$10bn) a year.

On top of this, the report argues, the country faces less easily quantifiable costs from Brussels-inspired regulations and red tape - a trend which the authors say seems to be growing.

The paper admits that the UK benefits from the single market, stating that the broader benefits to companies are hard to measure, but if, on leaving the EU, tariffs were removed for UK exports, this would leave the economy facing an additional burden of £4bn or less, according to present trade patterns.

However, it points out that even with this burden, the UK would not face any real economic loss. It adds that the impact of raising tariff barriers again would proba-

bly be far smaller. The World Trade Organisation is pushing for a broader removal of trade barriers, it points out.

Meanwhile, the authors argue that the UK could probably conclude a trade agreement with the EU such as that agreed between the EU and Norway or Switzerland.

Mr Hindley said: "I suspect that we would end up with a small benefit from leaving the EU.

"We are not advocating withdrawing now, but at

some point in the not distant future the British government might want to withdraw - it would be a perfectly feasible option if the government finds itself pushed into a federalist corner."

The conclusions of the report are likely to be seized on by the Euro-sceptic wing of the governing Conservative party, which is set to press the prime minister to take a tougher anti-European line at the party conference next week.

Nevertheless, the argu-

ment in the report was yesterday rejected strongly by the European Movement, a cross-party pro-European political group.

This group argued that the report had underestimated the importance of membership for UK companies and Britain's attractiveness to foreign direct investors.

"The authors [of this report] have got it wrong: the economic and political benefits to Britain of our membership are both substantial and real," the group argued.

BMW holds key to industrial future

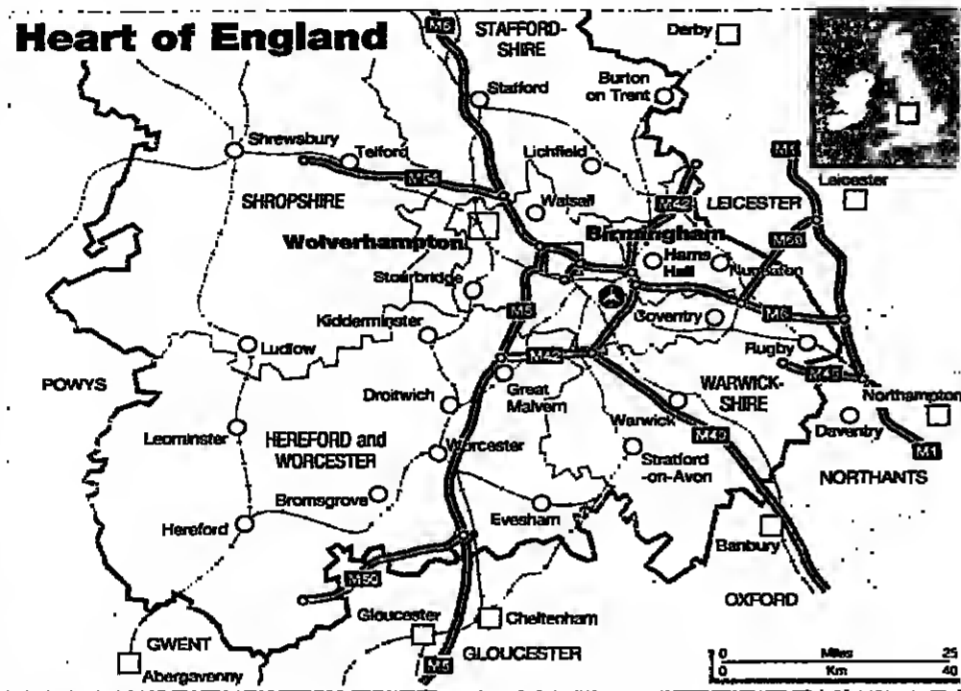
A planned \$700m investment could lift a region out of years of decline

Few industrial projects have raised the hopes of businesses in the English Midlands as much as the prospect of BMW building a £450m (\$702m) engine plant on the outskirts of Birmingham, the second largest city in England. The region, once one of the heartlands of British manufacturing, has suffered decades of industrial decline.

If the BMW investment goes ahead, it will confirm the competitive strengths of two of the region's most famous assets - its car industry and its transport infrastructure. If BMW went elsewhere, serious questions would be raised over the long-term prospects of both.

Government officials are negotiating with BMW to secure the plant at Hams Hall distribution park, on the site of a former power station to the north-east of Birmingham. BMW has asked the UK government to match the investment aid, believed to be around £70m, offered by Austria.

The negotiations are not yet resolved, but BMW's stated preference for the Midlands site has whetted the appetite of the region's extensive network of car parts suppliers. Such enthusiasm was heightened by the announcement by Rover this



week that it would build a successor to the Mini in Birmingham.

Rover, an offshoot of BMW, estimates that the two investments will create about 11,000 jobs among suppliers. Regional analysts say they will also secure the future of the Midlands car industry. Mr James Bentley, partner in charge of KPMG's

centre for business consultancy in Birmingham, said: "You cannot have a serious car industry without these new assembly lines and a new engine plant. They are the trophy investments. You cannot just manufacture windscreen wipers, even though they are important."

"If we lose out it would be like having a shipbuilding

industry that only makes the hulls of ships, not the ship itself."

BMW's investment plans could hardly have come at a better time for the supply chain in the Midlands. The region is spending £20m of EU grant aid to raise quality standards in the motor components sector in a project called the World Class

Supplier Base programme.

"It internationalises the market for local supply companies," said Mr David Draycott of the Birmingham Training and Enterprise Council, one of more than 80. "They begin to realise that they are not just supplying Rover but are operating at a European and increasingly international level."

BMW's final decision on its engine plant will have repercussions beyond the automotive sector. If the company chooses the UK, it will secure the success of the £30m Hams Hall park itself. Planned around an international rail freight terminal, Hams Hall needs a flagship manufacturing plant to ensure the 150ha development demand to sustain its own freight services.

Its main threat lies 50km east in Daventry, where work is already under way on a £200m rival tunnel freight terminal.

Mr Tony Bradley, policy director at Birmingham chamber of commerce, said: "BMW's engine plant would probably ensure the viability of Hams Hall because its engines would have to be transported between here and the Continent."

Richard Wolffe

Watchdog rapped for gas attacks

By Robert Corzine in London

The government wants Ms Clare Spottiswoode, the outspoken gas industry watchdog, to tone down her public attacks on British Gas.

Although Ms Spottiswoode is an independent regulator, the government is said to be concerned about the stridency of some of her recent comments on the company.

On Thursday Ms Spottiswoode accused British Gas and its public relations advisers of mounting personal attacks against her, a charge denied by the company.

Ministers say they want her to refrain from making some of her "more flamboyant" criticisms. But they acknowledge that it may prove difficult to restrain such a strong-willed and legally independent regulator as Ms Spottiswoode.

She raised the issue of an alleged dirty tricks campaign against Ofgas earlier this week. Ms Spottiswoode said British Gas had drawn up a psychological profile of her. It had also employed a huge publicity machine to try and discredit Ofgas proposals, she said.

Her comments came after the company asked her on Thursday to refer a bitter dispute over proposed pipeline charges to the Monopolies and Mergers Commission.

Ms Spottiswoode wants deep cuts to be made in gas transportation prices from next spring. British Gas claims the proposed cuts, which would translate into average savings of £28 a year for Britain's 19m gas consumers, are "unjustified and unworkable".

The government believes the divisive debate between the two sides should now cease since the matter has moved to the MMC.

The recent behaviour of British Gas is also said to be of concern to ministers, who blame the company for much of the deterioration in relations with Ofgas. They believe British Gas is in danger of poisoning relations with Ms Spottiswoode in the same way that it alienated Sir James McKinnon, its first regulator. "To lose one regulator is regrettable, to lose two would be irresponsible," said an official.

Ms Spottiswoode has recently compared her frosty dealings with TransCo, the pipeline monopoly, to her more positive contacts with British Gas Energy, the trading and supply arm which is due to be demerged from TransCo next year.

Ofgas's final price control proposals for the company's domestic gas monopoly are expected to be published at the end of next week.

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Labour party hit by 'cash for questions' row

By George Parker in Blackpool

The "cash for questions" row cast a shadow over an otherwise successful Labour party conference when Baroness Turner, a Labour frontbench spokeswoman on employment in the House of Lords, was forced to resign over her support for Mr Ian Greer, the political lobbyist.

Baroness Turner, a non-executive director of Mr Greer's public affairs company, gave a television interview in which she defended his lobbying methods.

The party issued a statement before the broadcast saying that it was "inappropriate" for her to stay in her post as an employment spokeswoman in the House of Lords, the unelected upper House of Parliament.

Baroness Turner's resignation entangled Labour in the current political sleaze controversy, which until now has inflicted the greatest damage on the governing Conservative party. Her defence of Mr Greer - accused by The Guardian newspaper of paying Mr Neil Hamilton, a Conservative MP, for asking parliamen-

tary questions - infuriated Labour leaders.

Announcing her resignation, Lord Richards, Labour leader in the upper house, said there was no suggestion the 69-year-old peer had acted improperly as a director of Mr Greer's political lobbying company.

Labour officials admit her comments were embarrassing, but claimed there was "a stark contrast between the way the Conservative party drift and dither over these matters and the Labour party act swiftly".

In the interview she said she did not believe allegations that Mr Greer had paid Mr Hamilton to ask questions on behalf of Mr Mohamed Fayed, owner of the Harrods store in London.

On gifts of between £500 to £5,000 by Mr Greer to local constituency parties of 24 MPs, she said: "There is nothing unusual about paying money into MPs' campaign fighting funds."

Mr Hamilton faces an inquiry into "cash for questions" allegations by Sir Gordon Downey, parliamentary commissioner for standards.

Man In The News, page 8

Lloyd's opens assault on debt 'refuseniks'

By Jim Kelly, Accountancy Correspondent

Lloyd's of London has begun a campaign to recover £500m (£780m) from investors who have refused to join its £3.2bn settlement, by sending letters to 908 of the 1,836 "refuseniks" threatening legal action.

Those who fail to pay will receive writs seeking the money owed plus interest and legal costs.

The first set of 230 writs will be sent on October 8, one week after the letters, to a selection of the Names - investors who have traditionally supported the market - in the UK who fail to

pay. Names in the US and Canada have been given about 14 days to reply to their letters.

It is understood that Lloyd's will choose the first 230 Names on a purely commercial debt-recovery basis. Bankrupts are not expected to be pursued.

The dispatch of the letters, the latest episode in a determined effort by Lloyd's to recover the debts, shows the "refuseniks" will need to organise quickly to counter the legal threat. Lloyd's hopes to have most cases in the courts before Christmas. This week "refuseniks" have been pressed to contribute to a £4m fighting fund

set up by the newly founded United Names Organisation. The UNO is seeking to prove that fraud lay behind the market's \$50m losses and has selected three cases to back through the courts.

The 908 letters say that the Names concerned were party to a contract, made last month, whereby they were to pay a premium to Equitas, the new reinsurance company which is taking responsibility for billions of dollars of outstanding US pollution and asbestos liabilities.

The identities of the 230 targeted Names will be made public on October 8 in the writs lodged at the High Court in London.

UK NEWS DIGEST

Ministry shifts on Gulf illness

The UK defence ministry, which had previously doubted the existence of a disease known as Gulf War Syndrome, admitted yesterday there could be link between a pesticide used during the 1991 conflict and ailments suffered by veterans. Mr Nicholas Soames, the armed forces minister, said that "the use of some OPs [organophosphate pesticides] may possibly be a clue to the conditions that some of the Gulf War veterans have suffered from."

Promising to investigate the tentative connection "with the utmost care", Mr Soames said a review of conditions during the Gulf War had uncovered new evidence about the number of pesticides used in the conflict. While the government knew previously that one pesticide, malathion, had been used, it had since emerged that three others were laid down, he added. Some pesticides had been purchased in the Gulf area because it was impossible to send supplies from elsewhere in time to protect front-line troops.

More than 1,000 of the 51,000 British troops who were involved in the war against Iraq have started legal action after complaining of breathing difficulties, fatigue, depression and pain. The US Pentagon, also under strong pressure over the ailment of Gulf war veterans, admitted this week that up to 15,000 of its soldiers could have been exposed to deadly nerve gases. Bruce Clark

NORTHERN IRELAND

Punishment beatings 'cost \$9m'

There had been more than 500 assaults classed as "punishment beatings" since the Irish Republican Army's 1994 ceasefire, said Sir John Wheeler, the British minister responsible for security in Northern Ireland. They had cost a total of \$28m (\$8.4m) in medical costs and compensation to victims, he said in a BBC Radio broadcast in Northern Ireland. The people of the region would lose out on public services because of the continuing IRA campaign, he added later at a meeting of the Trinity College Dining Club in London. Prospects for a new ceasefire were "not very good" and the security forces had to be ready to meet the threat.

When the IRA called its ceasefire in 1994, large sums were switched by the British government from the security budget to economic and social programmes, Sir John explained. But the resumption of violence this year and the threat of more has meant that "allocations of money to education and health and other programmes in Northern Ireland will have to be switched back to the RUC [the police] and security duties".

A man, his wife and their 12-year-old daughter were injured when attacked by a paramilitary gang in their Belfast home on Thursday night, police said. PA News

MOTOR COMPONENTS

Ford to expand Belfast plant

Ford is to invest £34m to expand its motor components plant in Belfast. The investment will create a further 55 jobs at the facilities, which already employ 630 people. The expanded facilities will produce plastic components for engines to be installed in European and north American vehicles. The move takes total spending on the Belfast plant above £100m. John Griffiths

ART MARKET

Dealer cuts size of operations

Colnaghi, one of the UK's oldest established picture dealers, is retrenching. It is leasing its retail frontage in Old Bond Street in London to a fashion store and will operate from galleries at the back of the building. Its gallery in Manhattan is also leasing out its street frontage.

Colnaghi, an offshoot of the Oetker Group, the German hotel and shipping company, is a leading dealer in Old Master paintings and drawings. But the recession in the art market in the past six years has wiped out its annual profits. The chief executive of Colnaghi in London, Mr Richard French, and his New York counterpart, Mr Nicholas Hall, are leaving the company and setting up in partnership as picture dealers. They will operate from Colnaghi's New York premises. The company will be run from London by Mr Luca Baroni, head of the drawings department of Colnaghi for 14 years. He will be joined by Dr Christoph Douglas, former head of Sotheby's in Germany. Antony Thorncroft

'MAD COW DISEASE'

Slaughter backlog put at 400,000

Mr Roger Freeman, public service minister, yesterday confirmed that the backlog of cattle waiting to be slaughtered in the campaign against BSE or "mad cow disease" was about 400,000. Nearly 600,000 animals have been slaughtered under the scheme designed to take older cattle out of the food chain, since it began in May.

A week ago, Mr Freeman said the size of the backlog appeared to be substantially higher than government estimates of about 180,000, but refused to put a firm number on it because the higher figure did not seem "credible". He now seems to be accepting the figure is correct. Mr Freeman said on BBC Radio that the slaughter rate would rise to 55,000 a week. Officials said that target should be reached in two to three weeks, enabling the backlog to be cleared by Christmas. Maggie Urry

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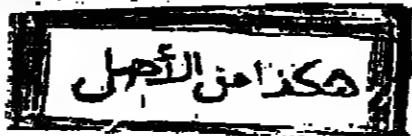
The company also owns a building plot in the area of the Karamanliou Company on Corfu Island, with a total area of 30,330 sq.m. A detailed description of the above is contained in the Offering Memorandum which is available to interested parties.

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Telekom says debt is first priority

By Michael Lindenmann in Bonn.

Deutsche Telekom yesterday issued the preliminary prospectus for its initial public offering of shares next month and said its "first priority" would be to pay down net debts of DM60bn (\$64bn) and to guarantee an attractive dividend.

Seeking to allay concern among analysts that the company's heavy debt load would depress Deutsche Telekom's net profitability and hence its ability to pay an appropriate dividend - Mr Rolf Sommer, chief executive, said financial invest-

ments were no longer the group's primary concern. "Our first priority is debt repayment and dividend payments," he said.

Mr Joachim Kröske, finance director, said Deutsche Telekom would offer investors a 1997 dividend worth about DM1.20 per share.

He also implied that 1997 net profits would be about DM6bn, much higher than the DM4.4bn predicted by Deutsche Morgan Grenfell, the global book runner for the flotation.

While Mr Kröske declined to give a precise figure for 1997 net profits, he said the

dividend payment would be about DM3bn and that a payout of 50 per cent - the dividend payment as a percentage of net profits - was usual in Germany and a figure that Deutsche Telekom would use as a yardstick.

"If 50 per cent is regarded as shareholder-friendly, then four payouts will be in that region," Mr Kröske said.

Calculating a precise yield for the shares would, however, be difficult, Mr Kröske said, because German and international investors had different expectations.

Deutsche Telekom is the first German company to make an IPO and to list on

several international stock exchanges simultaneously.

The preliminary prospectus, also known as the "pink herring", has to be filed by Deutsche Telekom before it can begin talking to US investors, a process due to start next Wednesday, three days after the prospectus has been filed.

A final prospectus giving a price range for the shares will be issued on October 22 and the issue's global co-ordinators will then begin a "book-building" process, designed to establish a final price on the basis of potential demand for the shares.

As part of the IPO next

month, Deutsche Telekom will issue up to 500m new shares.

The company could also offer a further 75m shares to investors before the end of this year as part of the greenshoe option - a further packet of shares which the issue's coordinators may or may not issue after the listing in order to stabilise the share price. The total share issue is expected to raise up to DM15bn.

Once listed, Deutsche Telekom's shares will make up about 4.5 per cent of the weighting in the Dax Index, which is made up of Frankfurt's 30 most traded shares.

Yamaichi slashes half-year forecast

By Gerard Baker in Tokyo

Yamaichi Securities, one of Japan's Big Four stock brokers, yesterday more than halved its pre-tax profit forecast for the half-year to the end of September.

The company said weaker-than-expected commission fee income in the first six months of the fiscal year had forced it to cut its projection of recurring profit, before extraordinary items and tax, to ¥6.5bn (\$58m).

The previous forecast, made earlier this year, was ¥15bn.

The chief cause of the drop in commission income was the decline in equity trading on the Tokyo Stock Exchange in the last six months.

Overall commission fee income was ¥14bn lower than forecast. Revenues from stock broking commissions fell ¥9bn.

Average daily trading volumes in Tokyo reached a five-year high of nearly 500m shares in the first quarter of 1996. That trend continued in April and May, when brokers prepared their forecasts for the new financial year.

Subsequently, however, volumes fell sharply, as the market's rapid rise in 1995 and early 1996 was brought to a halt by fears of higher interest rates and a faltering economic recovery.

Yamaichi also said it had lowered its forecast for proprietary securities dealing gains by ¥5bn.

In contrast, the company said, underwriting fees had been about ¥7bn higher than the previous estimate, as the pace of bond and equity issuance increased.

Total revenue in the first six months of the year is estimated at ¥110bn, below the forecast ¥120bn but unchanged on the same period last year. After-tax profit is forecast at ¥5bn, twice last year's figure, but sharply lower than the earlier forecast of ¥13bn.

For the year to next March, Yamaichi said recurring profit would fall to ¥19bn from the previously estimated ¥30bn, on revenues ¥10bn lower at ¥230bn. At the consolidated level, the company cut its recurring profit projection from ¥38bn to ¥23bn, and its after-tax profit forecast from ¥30bn to ¥18bn.

Yamaichi is due to publish its half-year results on October 22.

INTERNATIONAL NEWS DIGEST

Accounts frozen in TNT probe

The Australian Securities Commission yesterday froze three client trading accounts at two stockbroking firms as part of its investigation of "unusual" options trading in the takeover bid for TNT, the transport group, by the Dutch postal and telecommunications group KPN this week. Two of the accounts are at Macquarie Equities and one is at Ord Minett. The accounts hold about \$10m.

Mr Warwick Evans, managing director of Macquarie Equities, said yesterday: "There was a large transaction, but we do large transactions in options all the time." Macquarie is one of the main players leading traders in the Australian options market. *Bethan Hutton, Sydney*

Commerzbank in Hungary buy

Commerzbank, the German commercial bank, has acquired 51 per cent of Budapest-based Eurocorp International, a specialist in corporate finance for Hungarian companies. The acquisition was part of its expansion in central and eastern Europe, said Commerzbank. The bank has renamed the company EurocorpCommerz and aims to tap the growing market for structured finance as Hungary's privatisation programme gains pace. *AFX News, Frankfurt*

HK, China to keep SE indices

Capital International, proprietor of the MSCI equity indices, has indicated it will continue to treat the Hong Kong and Chinese stock markets separately for indexing purposes after the British colony becomes part of the People's Republic next year. The change posed potential problems, since Hong Kong counts as a developed market, while China is an emerging market. Merging the two would have raised China's weighting in the emerging markets index and created problems for specialist fund managers whose performance is measured against the index. *Philip Coggan, Markets Editor*

Australis issue approved

Noteholders in Australis Media, the pay-TV operator, yesterday approved the company's plans for a US\$250m recapitalisation. Australis is planning a US\$150m note issue and a US\$100m equity raising. Standard & Poor's, the ratings agency, yesterday downgraded Australis' debt rating to CCC+ from B-, but the company's shares rose on news that the Australian Competition and Consumer Commission had approved an Australis joint venture with rival pay-TV operator Optus Vision. *Bethan Hutton*

Alcoa profit halved by charge

Alcoa, the world's largest aluminium producer, said its third-quarter earnings were halved by a previously announced after-tax charge of \$65.5m, or 38 cents per share, to cover the lay-off of 2,900 workers and write-downs on equipment. Alcoa said that after the charge it earned \$68.4m, or 39 cents per share, in the third quarter, down from \$225.4m, or \$1.27 per share, a year earlier. Excluding the charge, Alcoa's third-quarter earnings were \$133.9m, or 77 cents per share. For the first nine months, earnings were \$414.5m, or \$2.77 per share, before after-tax charges of \$105.5m, or 61 cents per share. This compares with \$629.5m, or \$3.58 per share, in the year-to-date period. *Laurie Morse, Chicago*

Raytheon forecasts 15% fall

Third-quarter operating profits at Raytheon will be 15 per cent lower than last year, although earnings per share should come close to analysts' forecasts, the electronics and engineering group said yesterday. The company blamed weakness in its Amara domestic appliances business and delays in booking contracts. However, full-year earnings per share were still expected to exceed last year's \$3.23.

Before allowing for a 9 cents per share charge to cover the costs of closing an Ohio appliance factory, earnings per share for the third quarter should match analysts' forecasts of 69 cents, the company added. *Christopher Parkes, Los Angeles*

Air Canada and SAS link

Scandinavian Airlines System and Air Canada are to collaborate from April 1997 on routes between Sweden, Norway, Denmark and Canada. The co-operation will involve schedules, frequent-flyer programmes, joint lounge-bus, one-stop check-in and mutual recognition of passenger tickets. The agreement stops short of direct commercial interaction or cross-shareholding. *Greg McIvor, Stockholm*

Four Seasons reorganisation

Mr Isadore Sharp, 65, the international hotelier, has cemented his 67 per cent voting control of Four Seasons Hotels after shareholders accepted a share reorganisation. Mr Sharp will maintain his voting interest when new subordinate shares are issued. Several institutions had questioned whether his successors would protect minority shareholders' rights. Four Seasons is seeking a partner to help expansion of its Regent chain in Asia. *Robert Gibbins, Montreal*

Comments and press releases about international companies coverage can be sent by E-Mail to international@ft.com.

Hitachi expects sharp fall as chip prices slide

By Michio Nakamoto in Tokyo

Hitachi, the Japanese electronics group, said yesterday that profits in the year to March 1997 were expected to fall to little more than half the previous year's figure, owing to the slump in semiconductor prices.

Hitachi forecasts non-consolidated recurring profits of ¥70bn (\$825m), 46 per cent lower than the ¥128bn posted in the previous twelve months and a sharp decline on the ¥110bn forecast earlier this year.

Also, sales are expected to rise to only ¥4,150bn, compared with the ¥4,200bn forecast. Last year Hitachi's sales reached ¥4,126.4bn. Net income would fall 23 per cent to ¥55bn, the company said.

The downturn in world prices of dynamic random access memory chips was the main reason for the lower expectations for results this year.

Hitachi's revision follows moves in the industry to reduce capital spending on semiconductors because of the weak market.

However, other Japanese semiconductor makers, such as NEC, Fujitsu and Toshiba, have been able to maintain or even to raise their profit forecasts, because stronger-than-expected sales of PCs and telecoms equipment will make up for the slump in semiconductors.

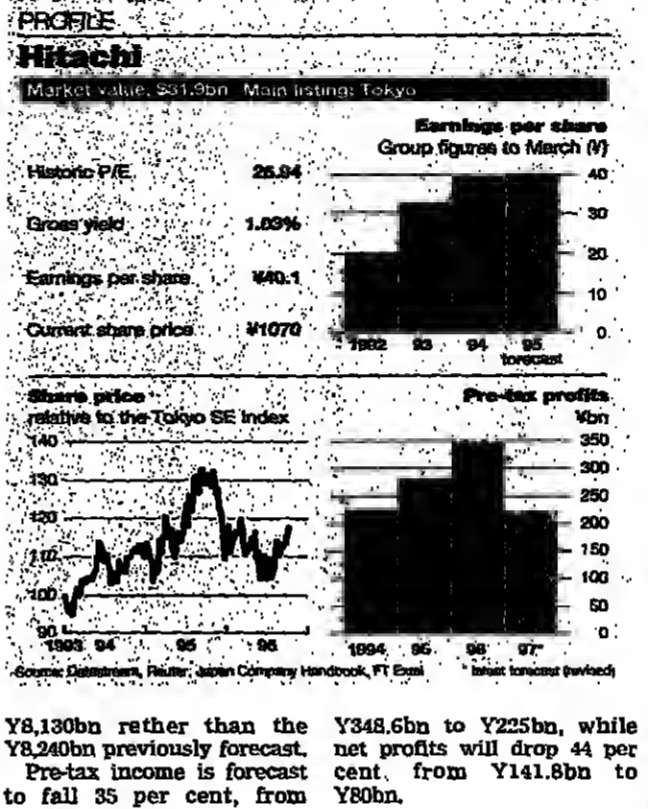
Although Hitachi's sales of large computers and telecoms equipment were firm, they did not offset the fall in semiconductor prices, the company said.

Hitachi derives 25 per cent of sales from power and industrial systems such as nuclear power plants and elevators, and has suffered from saturation of these markets. Demand for nuclear power plants in particular has declined.

In the longer term, the company's reliance on industrial systems is expected to hit performance.

While demand for telecoms equipment is expected to stay strong, the industrial systems market is mature and competition from Asian companies is intensifying, according to Mr Yoshiharu Izumi, industry analyst at UBS Securities. "Hitachi needs to find growth businesses," he said.

Consolidated sales for the year are expected to rise slightly, from ¥8,123.8bn to



Kirch buys 7.5% stake in US film producer

By Christopher Parkes in Los Angeles

Germany's Kirch Gruppe is to tighten its links with Hollywood by buying a 7.5 per cent stake in New Regency, one of the US film industry's most ambitious and prolific independent production companies.

Kirch, which so far this year has committed an estimated \$5bn to buying television rights to US films, will pay about \$65m for its New Regency stake.

The deal will also forge links between the Munich-based group, Mr Kerry Packer, the Australian media investor who owns 27 per cent of the US company, and Samsung, the South Korean group which has a 7.5 per cent stake.

New Regency is still majority-owned by producer Mr Arnon Milchan. Backed by Mr Packer, it was among the finalists in the recent battle, won by veteran investor Mr Kirk Kerkorian, for control of Metro-Goldwyn-Mayer.

Its immediate plans, assisted by the cash from the Kirch involvement, include increased investment in television production and an acquisition, to be unveiled soon, which will add popular music to its product range. New Regency has frequently been named among potential partners should Sony seek help with its troubled investment in Columbia/Tristar.

New Regency also has the advantage of a worldwide distribution agreement with Warner Bros, the Time Warner subsidiary. This arrangement extends to co-production deals with Warner, helping spread the risk in the uncertain market for films.

The German company, headed by the reclusive Mr Leo Kirch, has struck several TV rights deals this year, paying top rates for favourites such as *ET: The Extraterrestrial*, and blockbusters such as this year's *Tomb Raider*.

Its target is Germany's younger generation, which prefers Hollywood fare to the domestic product, and a fast-growing TV advertising market worth almost DM5bn (\$3.3bn) a year.

Competition in Germany for US output has increased this year with the launch of Kirch's satellite TV operation and aggressive counter-moves from RTL, which is partly owned by Kirch's main rival, Bertelsmann. As a result, Hollywood's revenues from foreign TV deals are expected to rise 25 per cent this year.

CME set for Polish TV stake

By Christopher Bobinski in Warsaw

Central European Media Enterprise (CME), a US-funded commercial TV investment group, is poised to win new broadcasting licenses in central Europe when Poland's KRRTV, the broadcast media licensing council, awards licenses next week for two regions in central and northern Poland.

At the same time, CME has blocked a move into Poland by Bertelsmann, the German media group.

CME and ITI, a local partner in a joint venture called TVN, purchased a strategic stake in TV Wisla, a near-bankrupt local

broadcaster in southern Poland which Bertelsmann had planned to acquire.

At the moment Polsat, a local company which runs one national commercial channel, and Canal Plus, the French pay-TV company - which has about 100,000 subscribers - provide the only competition to state-run national television.

CME, which is controlled by Mr Ronald Lauder, an heir to the Estée Lauder cosmetics fortune, recently bought a 50 per cent share in the Studio 1 + 1 group of companies in the Ukraine, which provides programming to the main Ukrainian state television channel.

In addition it is a co-owner of television stations in Slovakia, the Czech Republic, Romania and Slovenia.

With the Ukrainian deal, it can reach a potential 85m viewers.

The two new regional licenses in Poland are for the northern Baltic coast area, covering Gdansk and Szczecin, and the centre of the country which includes Warsaw and Lodz, the country's second largest city.

Thus its approval for the Wisla purchase suggests it wants TVN to run all three, with a potential audience of 15m.

The budget for the TVN project, which would include the local production of programmes, is set initially at \$50m over four years.

and has run up about \$15m in debts.

The acquisition of the 3 per cent stake in Wisla is accompanied by an option to buy more shares when the station if TVN is granted the central and northern licence.

It is KRRTV policy to see the three regions, northern Poland, the south and the centre covered by one broadcaster.

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Brent Walker in Pubmaster sale talks

By Roderick Oram, Consumer Industries Editor

Brent Walker, the UK leisure group saddled with £1.5bn of debt and £1.19bn of negative net worth, said yesterday it was negotiating to sell its Pubmaster pub chain to a preferred buyer.

NatWest Ventures is believed by fellow pub owners to be the front-runner, chosen from a short list of five venture capital firms. Negotiations could be completed before Christmas, they believe. Pubmaster might fetch between £100m and £170m.

With 1,700 pubs it is one of the largest chains not owned by a brewer. It reported an operating profit of £8.9m (\$8m) on turnover of £243.6m (£23.9m) in the six months ended June 30.

Among the failed venture-capital backed bidders was Mr John Brackenbury who had resigned Pubmaster's chairmanship to pursue a bid after Brent Walker had decided against a stock market float for Pubmaster.

Norwich Union cautions IFAs

By Motoko Rich

Norwich Union, the UK mutual insurer which is planning a London stock market flotation, said it would confer membership rights on applications for the free shares bonus, but said it would monitor all of the business generated by the advisers.

It said it kept records of all sales made through IFAs and if it detected an unusually high number of sales from a particular adviser last week it would investigate.

"We would refer the IFA to the Personal Investment Authority if we thought there was any fraudulent activity and the policy would be cancelled," said the company.

The group, which will be the first UK mutual life insurer to demutualise via a stock market flotation, is expected to achieve a market value of £5.5bn.

Some 2.9m members are believed to be eligible for the windfall shares.

Bazalgette takes post at M&G arm

By Nicholas Denton

Mr Vivian Bazalgette, head of UK equities at LGT Asset Management for the past 18 months, has moved on to become managing director of M&G Investment Management, the main business arm of the UK's M&G Group.

Mr Bazalgette's move, announced by M&G yesterday, follows the resignation of Sir David Money-Coutts as non-executive chairman, which had a knock-on effect throughout the group.

Sir David was replaced by Mr David Morgan, whose position as chief executive was taken by Mr Michael McLintock. Mr McLintock vacated the post now being filled by Mr Bazalgette.

Mr Bazalgette's path to further promotion within M&G may be limited by the fact that, at 45, he is 10 years older than the group managing director.

While Mr McLintock shared the role with Mr Richard Hughes, Mr Bazalgette will be sole managing director of M&G Investment Management.

FT/S&P ACTUARIES WORLD INDICES QUARTERLY VALUATION

The market capitalisation of the national and regional markets of the FT/S&P Actuaries World Indices as at SEPTEMBER 30, 1996 are expressed below in millions of US dollars and as a percentage of the World Index. Similar figures are provided for the preceding quarter. The percentage change for each US dollar index value since the end of the calendar year is also provided.

NATIONAL AND REGIONAL MARKETS	Market cap. as at 30/09/96 (US\$m)	% of World Index	Market cap. as at 28/06/96 (US\$m)	% of World Index	% change in 3 m index
Australia (78)	186707.3	1.48	179691.3	1.43	9.02
Austria (24)	19000.8	0.15	19558.9	0.16	2.82
Belgium (17)	85370.8	0.67	81676.2	0.65	3.61
Brazil (28)	56258.7	0.45	56257.0	0.44	0.02
Canada (117)	278224.0	2.18	184570.3	1.47	14.07
Denmark (20)	40900.9	0.32	38008.8	0.30	11.05
Finland (23)	34204.7	0.27	30666.5	0.24	14.15
France (83)	207116.5	1.64	181018.4	1.43	10.13
Germany (58)	446517.2	3.46	429616.5	3.43	8.30
Hong Kong (58)	266500.2	2.08	226287.7	1.80	16.68
Indonesia (27)	17458.2	0.14	17458.2	0.14	-
Ireland (16)	23271.6	0.18	21744.5	0.17	48.56
Italy (50)	150788.2	1.18	153310.8	1.24	7.94
Japan (481)	2727782.9	21.32	2886299.2	23.02	-4.75
Malaysia (107)	138955.1	1.09	136002.9	1.08	16.81
Mexico (19)	48295.2	0.38	45716.8	0.36	19.65
Netherlands (19)	266302.4	2.04	256298.0	2.01	11.09
New Zealand (16)	29431.5	0.23	22086.1	0.18	33.04
Norway (25)	25728.1	0.20	27077.7	0.22	-8.56
Philippines (22)	16273.4	0.13	-	-	-
Singapore (44)	84058.5	0.66	85923.3	0.68	-0.73
South Africa (44)	124639.4	0.98	131435.1	1.05	-71.12
Spain (37)	122558.4	0.97	125041.6	1.00	9.63
Switzerland (37)	158324.8	1.25	148257.3	1.19	21.16
Thailand (45)	18976.7	0.15	208405.8	1.65	3.23
United Kingdom (200)	1186207.1	9.27	1107722.7	8.83	-12.82
USA (823)	5510563.8	43.11	5369418.4	42.82	11.54
Americas (787)	5654773.4	44.09	5553988.7	44.29	11.90
Europe (705)	3307487.1	25.86	3188128.4	25.42	8.72
Noradic (139)	289788.5	2.23	245112.3	1.95	17.08
Pacific Basin (878)	3463018.8	27.27	2565802.8	20.43	-1.87
Europe (1563)	6770505.9	52.93	6753631.0	53.86	-0.22
North America (740)	5790908.8	45.29	5553988.7	44.29	11.57
Europe Ex. UK (609)	2121280.0	16.58	2080405.8	16.59	9.03
Pacific Ex. Japan (337)	735253.9	5.75	678202.4	5.42	10.37
World Ex. US (1751)	727791.5	56.89	7178420.1	57.12	1.37
World Ex. UK (2214)	11605421.0	90.73	11423116.8	91.17	3.22
World Ex. Japan (1933)	10083866.2	78.88	9653540.3	77.93	6.52
The World Index (2414)	12791828.1	100.00	12538839.5	100.00	10.71

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COMPANIES AND FINANCE: UK

Banks made plans to run Eurotunnel

By Andrew Jack in Paris and Geoff Dyer in London

Eurotunnel came so close to bankruptcy at the end of last week that its leading banks began preparations to take control of the Channel tunnel operator, it emerged yesterday.

Plans were initiated just days before the Anglo-French group agreed a last-minute £2bn debt reduction plan with its leading banks, details of which will be outlined on Monday.

On the basis of legal advice, the banks believed they could have moved swiftly to take control by asserting their right of "substitution," provided for in the statutes governing operation of the tunnel. The preparations included drawing up a list of English and French executives to form the board.

The substitution would have needed approval from the French and UK governments, and would have triggered a series of legal disputes. However, the banks are believed to have been confident they would win under administrative law.

Substitution could remain an option if Eurotunnel shareholders or the 225 banks fail to endorse the deal approved on Tuesday.

The package is expected to

reduce Eurotunnel's "junior" debt levels by £2bn, principally through a debt-for-equity swap which will leave the banks owning 49 per cent of the shares. The junior debt, on which the group has not been paying interest since September 1995, makes up the bulk of its £9bn debts.

The deal is also expected to involve other financial instruments, including a substantial issue of convertible bonds, which usually pay a very low rate of interest and could leave the banks owning a majority of the shares at a later date.

Analysts also believe the proposals will allow Eurotunnel to borrow more "senior" debt - it has continued paying interest on the £300m senior debt throughout the talks - as they suspect that, even after the refinancing, it might not be able to meet its interest commitments next year.

The refinancing received its first test yesterday when the six leading banks, who negotiated it with the company, presented it to the next layer of 20 banks.

Eurotunnel's September traffic figures, published yesterday, continued their strong improvement this year, with tourist vehicles on the Shuttle more than doubling to 219,000.

No Holiday for Tim Lane

Roderick Oram and Scheherazade Daneshkhu analyse the rift

One man was missing two weeks ago when friends and colleagues threw a farewell dinner for Mr Bryan Langton in Manchester - his successor.

Credited with turning around the Holiday Inn global hotel chain after Bass paid \$2.3bn (£1.47bn) for it in 1990, Mr Langton was only three months away from handing over as chairman to Mr Tim Lane.

But tensions between them were already running very high. Mr Langton was "incandescent" on the subject of Mr Lane, said a guest at the dinner for 250 on September 20 at the Holiday Inn Crowne Plaza.

Ten days later Mr Lane resigned as chief executive of Holiday Inn after only seven months. Announcing his departure on Monday, Bass cited "fundamental differences on how the business should be managed."

For the City, the departure of Mr Lane, the latest in a band of senior resignations in the past few years, raises questions about Bass's management style and its ability to assimilate senior executives it brings in.

Bass is admired for its strict financial controls and the tight managerial discipline set from the top down by Sir Ian Prosser, chairman and chief executive. But the City is concerned whether the style is compatible with the fast-moving leisure group that Bass, once simply a big brewer, has become.

Moreover, will other US executives at Holiday Inn, Atlanta headquarters kick against the strict controls imposed by Bass's West End headquarters?

"It sounds like a bad clash between Atlanta and London," one analyst said. "Anybody coming in now has to be concerned about working with the Bass board."

Bass had searched the world for a successor to Mr Langton who was due to retire, aged 60, at the year end. Finding the right person was critical to Bass. Holiday Inn's first few years under its ownership had been difficult. Standards at franchised Holiday Inns, the



Tim Lane (left) who departed after 'fundamental differences' with Bryan Langton

vast bulk of the chain, had fallen badly under its previous owner, Mr Langton, who had run Crest's previous hotel chain, cracked the whip, re-enthusiased franchisees and sharply improved their performance. His successor needed to push the franchising of the brand further and solve the chain's strategic problem - it needed a new upmarket brand to complement the main Holiday Inn name, which is Bass's fastest-growing business.

Mr Lane seemed to some in Bass the ideal candidate. A 47-year-old American, he had spent the previous 15 years with PepsiCo, the US drinks, snacks and restaurant group. For the last six years he was based in Hong Kong as head of PepsiCo's restaurants in Asia and the Middle East. He also had a strong financial background.

Sir Ian, several colleagues say, was particularly keen on Mr Lane, arguing that he had the extensive franchising experience that Holiday Inn needed. Some others were far less enthusiastic about Mr Lane's inexperience in hotels. Mr Lane did not respond to a request for an interview for this article.

"Prosser decided against Langton's better judgment that Holiday Inn is about franchising rather than hotel-keeping. But you still

have to build up a bond with the franchisee," says another hotelier who knows them well. "When Tim Lane came in, he had fixed ideas but you cannot move with the same pace in hotels. It's not like rolling out restaurant outlets."

Mr Lane moved fast after he took up the chief executive's post on March 1. "He was used to running his own show and making a lot of changes rapidly," says one observer. "But he was not keeping North Audley Street informed or being particularly complimentary about Bryan." He was also critical of aspects of Holiday Inn's operations.

He brought in new heads of information technology and human resources and was looking for a new senior finance executive without clearing the changes first, as required, with London.

Mr Lane has some supporters in Atlanta and among new business partners. In August, for example, he hired Fallon McElligott, a Minneapolis advertising agency. The agency says it is known for "refreshing brand iconography," rehabilitating names such as Prudential, the US financial services group. "We liked him a lot. We shared his feelings about the Holiday Inn brand and reviving it," the agency said. But Mr Lane had few sup-

porters left in London.

"Bass is traditional. It's British and it likes the rules to be followed," says an executive familiar with events of recent months. "That's not a bad thing - it brings dependability versus flamboyance - but there is also some tension between Bass's conservative approach and its customer-driven businesses."

If Mr Lane felt frustrated by Bass's processes he could have submitted a paper to the board arguing for change. "The board willingly debates those topics," a former colleague says.

"We respond very fast out of North Audley Street to any project put to us," a senior Bass executive says.

But as the chemistry between Mr Lane and his Bass colleagues turned sour, word of the unhappy relationship spread through Holiday Inns. "I don't know how long Lane will last," the general manager of a flagship Holiday Inn told a Bass friend several weeks ago.

Shortly before his resignation Mr Lane was still working on presentations for Bass's fortnightly executive committee meeting on Monday and Tuesday of this week. As long planned, it was on his new home turf in Atlanta. But before lunch on Monday Bass announced he had resigned.

NEWS DIGEST

Treg withdraws bid for Kepit

TR European Growth is withdrawing its bid for Kleinwort European Privatisation Investment Trust.

Kepit rejected the bid, one of the largest ever for an investment trust, but was forced to draw up its own plans to liquidate the trust in response.

Kepit had come under attack because of two years of disappointing performance which had led to a weak share price. The liquidation will allow shareholders to realise the full value of their investment.

Sir Geoffrey Littler, chairman of TR European Growth said yesterday: "The Treg offers have focused a great deal of attention upon the question of poor performing investment trusts and the right of shareholders to expect a full cash exit if the investment rationale has not been fulfilled."

Mr Shane Ross, chairman of Kepit, yesterday acknowledged the role of Treg's bid in promoting shareholders' interests. "Treg has done a great service to the investment trust industry. This will be the forerunner of a great number of raids on other investment trusts which will add to shareholder value," he said.

Treg, however, will have to question whether the bid has served the interests of its own shareholders. Its costs are expected to be low, at well below £1m. But Sir Geoffrey Littler said he would think twice before launching a similar bid in future.

At the first closing date for the bid, only 2.8 per cent of shareholders had accepted. TR European Growth said it was not extending the bid beyond the second closing date, yesterday.

Roger Taylor

Forward Tech in reverse

Shares in Forward Technology Industries fell 17 1/2p to 44 1/2p yesterday after the electronics and audio group warned that annual profits would be well down on last year's £3.05m because of problems in its US subsidiary.

Gross margins in its electronics side had been hit by technical troubles in manufacturing complex systems the US division had agreed to supply. The necessary rework had so increased costs that the electronics division was not now expected to make a significant profit and group profits will fall well short of those for 1995.

Although earnings per share slipped from 1.9p to 0.1p in the six months to June, the dividend is maintained at 1p. While sales rose 18 per cent to £29.2m, the pre-tax loss fell from £12,000 to £109,000.

Fleming Intl is wound up

A special resolution to wind up the Fleming International High Income Investment Trust, a split capital fund, was passed at an extraordinary meeting yesterday.

The first distribution under the liquidation will be made on Monday and comprise 117.6302p per zero share, representing their full and final settlement, and 36.5p per ordinary share, representing about 96 per cent of estimated proceeds for ordinary shareholders. A final distribution will be made when all liabilities have been settled.

Macfarlane makes £3m buy

Macfarlane Group (Clansman), the Glasgow-based packaging group, is paying £3.2m to acquire Saranne Packaging, a converter and distributor of film products based in Pyle, mid Glamorgan.

Consideration is payable as to £225,000 in cash and the issue of 1.26m ordinary shares at 196p each.

Saranne made pre-tax profits of £417,785 in the year to January 31 1996 and net assets at that date amounted to £723,196.

Zergo deal with Lloyds TSB

Shares in Zergo, the AIM-quoted financial security systems group, rose 10p to 280p on the announcement that it is to be the information security partner to the Lloyds TSB Group, the UK's seventh largest company by market capitalisation.

The agreement will provide Lloyds TSB with information security consultancy and training as well as its security products and services. It also paves the way for future joint developments and technology sharing.

Honda sets up finance arm

Honda dealers will be able to borrow money from their own in-house finance company by April next year, although customers will have to wait until April 1998.

Honda Motor Finance is to be set up as a captive finance company fully owned and funded by its parent, Honda Motor Europe.

The company said it intended to be in a position to support sales and make sure the total benefits of financial activity remained within Honda.

HFE will start by offering financing to 180 Honda dealers in the UK. The delay before launching consumer finance is to get the business running smoothly.

Honda's current arrangement with Charter Trust will continue until HFE takes over.

The dealer finance division of Lloyds Bowmaker, part of Lloyds TSB, will administer the scheme. John Hamilton

Ashbourne sale and leaseback

Ashbourne, the nursing homes group, has sold and leased back the 90-bed Rowan Court home in Aberdeen to British Aerospace Pension Fund.

The consideration is £4m with an initial rent of £370,000. The lease is for at least 35 years with five yearly index-linked rent reviews.

In Brief

- ENERGY CAPITAL, the investment company that specialises in project finance for the US oil and gas industry, may raise more capital next year. It is not yet fully invested but should be within six months and will then "consider options" to allow it to participate in investment opportunities. First-half 1996 pre-tax revenue tripled to £1.2m and gross revenue more than doubled to £1.8m.
- MANCHESTER UNITED has bought 5.6 acres of additional car parking space near its Old Trafford stadium for £2.1m. The club acquired the land and a single-story warehouse on the site from the receivers of Wayrol.
- SELECT APPOINTMENTS (Holdings) has acquired Sidlco Human Resources Management and its four subsidiaries for up to £1.6m (£2.4m) to be paid from existing cash resources. Netherlands-based Skillco is primarily engaged in the provision of information technology.
- UNILEVER has sold its 15 per cent interest in Nigerian Breweries and its 25 per cent interest in Kumasi Brewery of Ghana to Heineken, its existing partner. The consideration, which was not disclosed, is not material in relation to Unilever's assets.

US insurer set to take over Archer

By Jim Kelly, Accountancy Correspondent

Chartwell Re, the US-based insurance group, is set to take over Archer, a top 10 Lloyd's managing agency, signalling yet further consolidation in the insurance sector.

Chartwell's interest in Archer amounts to a further vote of confidence in Lloyd's plans for reconstruction and renewal which have recently won the backing of the vast majority of Names - the investors whose assets have traditionally supported the market.

Archer, which has 4 per cent of Lloyd's underwriting capacity for the 1996 year of account, said it was in "exclusive discussions" with the US-listed group. An offer is expected to be recommended soon.

Shares in Archer finished up 21p at 82.5p, giving the company a market value of £31.2m.

According to a joint statement, Chartwell is likely to make a cash bid with a loan note alternative.

Chartwell is also consider-

ing providing additional corporate capital to the Archer syndicates.

"Archer would provide Chartwell with significant geographic diversification and direct access to the Lloyd's marketplace for future growth," said Mr Richard Cole, Chartwell's chairman.

Both companies said any offer would be conditional on several factors, including terms and conditions and finalisation of due diligence.

Mr Bryan Kellett, chairman of Archer, said: "With the changes at Lloyd's one needs to form stronger partnerships with people who provide stability. Insurance company backing is likely to be more secure - they understand our ups and downs."

Archer is one of the largest managing agencies at Lloyd's. Its main income is fee based, on capacity managed, and commissions based, on syndicate profits. It has 11 syndicates with a 1996 capacity of £420m.

Mr Kellett said Archer's present management would continue.

Principal to set price this month

By Scheherazade Daneshkhu, Leisure Industries Correspondent

Principal Hotels, the Harrogate-based group planning a £100m flotation next month, issued its pathfinder prospectus yesterday, but said a price range would not be announced until the end of the month.

The group, which has 20 hotels in the three- and four-star market, forecasts operating profits of £11.8m in the year to October 27, up from £8.1m last time. Turnover is forecast to rise from £42.6m

to £51m over the same period.

The company is seeking to raise £50m of new money by way of a placing to reduce debt. It has 16 hotels in the UK and four in Copenhagen, Dublin and Amsterdam.

Mr John Lewis, executive chairman, led a management buy-in of the group in 1994, two years after the company had gone into receivership.

Equity was provided by a consortium of venture capitalists led by NatWest Ventures. Mr Lewis said the venture capitalists were likely to continue to hold shares in the company after flotation.

An investment programme will be financed from the proceeds of hotel disposals - it is in the process of selling a hotel at Newport, Dyfed - and a £34m bank loan. Two more hotels were also likely to be sold, including one in Eastbourne.

Mr Lewis said the portfolio offered scope for continued organic growth through increased room rates and the addition of accommodation.

Four hotels have been upgraded to four-star status while 120 rooms will be added to the group's existing total of 2,431 next year. Mr Lewis said there was poten-

tial to add a further 191 rooms.

The directors have one-year rolling contracts and have share or option schemes in the group. With the exception of Mr Lewis, they are entitled to annual bonuses.

Mr Lewis, who receives an annual salary of £35,000 and an additional £25,000 in expenses, is also paid £100,000 in consultancy fees. Mr Tony Troy, managing director, receives an annual salary of £150,000.

Deutsche Morgan Grenfell is adviser to the placing and HSBC James Capel is broker.

FTSE Actuaries Share Indices - Quarterly Valuation		The UK Series	
Market cap as at 30/09/96 (£m)	% of All-Share Index	Market cap as at 28/09/96 (£m)	% of All-Share Index
FTSE 100	72.72	633966.40	71.77
FTSE 250	18.98	180022.97	20.28
FTSE 350	9.22	812719.37	92.22
FTSE 350 Higher Yield	43.82	398873.84	44.41
FTSE 350 Lower Yield	48.46	425945.58	47.80
FTSE 1000	7.22	7185.34	7.72
FTSE SmallCap ex IT	6.31	59187.72	6.58
FTSE All-Share	100.00	883336.17	100.00
10 MINERAL EXTRACTION	84048.01	9.51	81922.78
12 Extractive Industries	1204.96	1.38	1207.03
15 Oil Integrated	16924.28	1.87	6200.24
18 Oil Exploration & Prod	7822.88	0.84	682.73
20 GEN INDUSTRIALS	198217.99	18.04	159947.45
21 Building & Construction	9100.02	0.87	7722.92
22 Building Mats & Merchs	22847.96	2.43	21278.41
23 Chemicals	19914.85	2.14	18978.33
24 Diversified Industrials	31292.88	3.52	29267.70
25 Electronic & Elect Equip	21092.11	2.26	18998.33
26 Engineering	40561.20	4.35	37328.73
27 Engineering: Vehicles	10466.26	1.12	8101.19
28 Paper, Pkg & Printing	11003.20	1.18	10926.70
29 Textiles & Apparel	2186.10	0.24	3693.82
30 CONSUMER GOODS	159180.88	16.65	147474.89
32 Alcoholic Beverages	24681.82	2.68	24390.78
33 Food Producers	30970.52	3.28	29062.58
34 Household Goods	4695.18	0.50	4374.48
35 Health Care	6383.81	0.69	6511.50
37 Pharmaceuticals	78907.24	8.14	67288.79
38 Tobacco	13181.89	1.41	15615.97
40 SERVICES	227811.23	24.42	223282.52
41 Distributors	9329.91	1.00	9926.87
42 Leisure & Hotels	16794.86	2.01	16788.56
43 Media	58137.21	6.23	58178.81
44 Retailers: Food	23633.60	2.53	24364.00
45 Retailers: General	58960.30	5.79	51068.01
47 Breweries: Pubs & Rest.	21891.56	2.32	21922.83
48 Support Services	18372.88	1.97	17101.15
49 Transport	24655.16	2.69	22313.43
60 UTILITIES	90731.00	9.73	90887.57
62 Electricity	22782.25	2.44	22216.68
64 Gas Distribution	6243.47	0.68	6336.30
66 Telecommunications	45770.40	4.81	45741.78
68 Water	12954.88	1.39	14524.94
80 NON-FINANCIALS	73364.55	78.71	704890.75
70 FINANCIALS	166295.82	17.78	149261.08
71 Banks: Retail	98447.62	10.68	85704.02
72 Banks: Merchant	3622.40	0.42	3574.37
73 Insurance	18956.84	2.04	18228.14
74 Life Assurance	17307.86	1.86	14298.42
77 Other Financial	8410.40	0.91	8513.59
79 Property	15544.10	1.77	14929.04
80 INVESTMENT TRUSTS	22955.00	2.50	32724.34
FTSE All-Share	883336.17	100.00	883336.17
FTSE Flooding	18598.07	-	18541.42
FTSE Flooding ex IT	15011.04	-	14843.29

Atlantic Telecom calls for £23m

By Patrick Harverson

Atlantic Telecom, the UK's only quoted wireless telephone company, is raising £23m through a public placing and open offer to fund the development of a fixed radio access telephony business in the Glasgow area.

Just over 20m new shares will be placed and offered at 125p a share through Close Brothers, the merchant bank. The offer is on a 2-for-15 basis. The company also announced plans for a 1-for-5 consolidation of its shares to improve their marketability.

Mr Graham Duncan, chairman, said tests on its new radio fixed access system had already begun. He hoped the service would be available to 15-20 per cent of customers in the Clyde region by the end of the year.

Installation was likely to be free during the initial launch phase. Although Mr Duncan admitted the company did not expect to win

customers from traditional service providers in large numbers, he said the relatively low cost of its system and focusing its marketing on small to medium-sized businesses and higher spending residential customers would make the business economically attractive.

It also announced that it had won approval in principle for a Scottish licence that would allow Atlantic to develop the services across urban Scotland.

Formerly known as Caledonian Media Communications, the company has operated cable systems in the UK for more than a decade, but over the next few years its prospects are expected to become increasingly dependent on the performance of its telephony business.

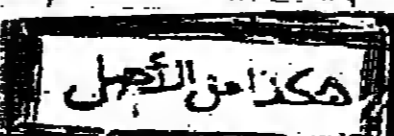
Last year the company reported pre-tax losses of £812,000 despite a near four-fold increase in sales to £10.5m.

The shares slipped 1/2p to 26 1/2p.

RESULTS

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends corresponding dividend	Total for year	Total last year
Dunlop House	5 mths to June 30	1.08 (0.022)	0.027 (0.0051)	0.02 (0.02)	-	-	-	-
Forward Tech Inds	6 mths to June 30	29.2 (24.8)	0.109 (0.812)	0.1 (1.9)	1	Nov 29	1	0.8
Hughes (TJ)	6 mths to July 27	28.5 (22.1)	0.361 (0.882)	1.2 (0.21)	0.84	Dec 31	1	2.75
Stangeby (HC)	6 mths to June 30	7.3 (7.08)	0.24 (0.174)	16.1 (12.2)	3	Jan 3	0.8	2.85
Waterman Printing	1y to June 30	13.9 (10.5)	0.687 (0.372)	2.6 (1.3)	0.7	Nov 27	0.5	1.15
Investment Trusts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fleming High Inc	W to Apr 30 1997	-	-	-	1.2	Nov 12	1.15	4.85
Schroder Split	6 mths to July 31	71.25 (77.12)	0.510 (0.440)	4.43 (4.31)	4	Nov 12	3.8	7.85

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. *After exceptional charge. *After exceptional credit. †On increased capital. ‡AIM stock. §SUSX stock. *Second quarterly. †New currency.



MINIMUM AND COPPER WASHEN
MARKET REPORT
TOP OPPORTU

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Aluminium and copper weaken

Aluminium and copper were the weakest features on a generally languid London Metal Exchange this week. The three months delivery position for aluminium finished at \$1,357.50 a tonne, \$1.50 above Thursday's 24-cent low but \$15 down overall.

Technical analysts thought the modest rally indicated that the market had touched the bottom of the aluminium price slide.

Its recent downturn, which had wiped 17% off the three months price in less than a month, Chart analyst William Adams of broker Rodocoff Wolff noted that technical indicators had turned up and the market was oversold.

In New York, meanwhile, the justification for aluminium's price slide was questions by aluminium industry analyst Stewart Spector.

"Part of the problem, especially when it comes to sentiment, is the time lag between the availability of industry data, and the time it takes the market players to digest and interpret the statistics," he wrote in the latest issue of his Aluminium Service industry newsletter.

He suggested that the market had so far failed to take account of signs that aluminium users had halted destocking and that physical demand for the metal had begun to rise.

In particular, he noted a "sharp pick-up in demand" in the US, the biggest aluminium-using country. During the three months to September 20 US orders

were between 20 per cent and 28 per cent ahead of the corresponding period last year, he said. There were also indications that demand was improving in Europe and Japan.

"As we move into the fourth quarter, it is not difficult to see how LME stocks [of aluminium] could start to decline," Mr Spector said.

The LME copper market gradually quietened down following last week's renewal of volatility in response to the return of concern about nearby supply tightness. After ebb and flow, prices settled back into their earlier narrow trading ranges.

The three months position ended at \$1,914 yesterday, up \$150 on the day and down \$69 on the week. The market appeared to have little heart for the continuing decline in LME warehouse copper stocks. Yesterday's fall of 9,925 tonnes took the total to 229,276, down about 45,000 since the beginning of September.

At the London Bullion Market the gold price also ended trading in a narrow range, after recovering from an 18-month low in mid-week. At \$380.30 a troy ounce it was \$3 off the low but still \$70 down on the week. Dealers told the Reuters news agency that a decisive move downwards from support in the \$379-\$380 an ounce area could presage a step drop, taking gold into areas not plumbed since the early 1990s.

"We are looking for it to go back to \$380 for the 'double top' [a chart pattern] and make sure there is nothing else up there," said one dealer. "If there is nothing, it could just slip away."

Robusta coffee prices at the London International Financial Futures Market saw-sawed as technically inspired rises repeatedly attracted producer selling. At yesterday's close the January delivery position was quoted at \$1,440 a tonne, up \$12 on the day and down \$10 on the week.

Richard Mooney

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

ALUMINIUM 99.7 PURITY (\$ per tonne)

Cash 3 mths

Close 1232-26 1210-15

High/Low 1319-20 1352-53

AM Official 1322.5-22.0 1335.5-66.0

AM Official 1322.5-22.0 1335.5-66.0

Open int. 221,807

Total daily turnover 55,274

ALUMINIUM ALLOY (\$ per tonne)

Close 1180-90 1210-15

High/Low 1180-85 1208-10

AM Official 1185-86 1211/1210

AM Official 1185-86 1211/1210

Open int. 5,448

Total daily turnover 399

LEAD (\$ per tonne)

Close 762-63 764-65

High/Low 758-7 771-2

AM Official 761-61.5 771/771

AM Official 761-61.5 771/771

Open int. 39,239

Total daily turnover 7,322

NICKEL (\$ per tonne)

Close 7045-55 7150-90

High/Low 6970-90 7050-90

AM Official 7025-90 7130-95

AM Official 7025-90 7130-95

Open int. 43,885

Total daily turnover 7,744

TIN (\$ per tonne)

Close 6000-05 6050-55

High/Low 5980-70 6000/6030

AM Official 5975-80 6040-41

AM Official 5975-80 6040-41

Open int. 16,408

Total daily turnover 5,440

ZINC, special high grade (\$ per tonne)

Close 965.5-65.5 1000-21

High/Low 964.5-65.5 1018-20

AM Official 967.5-66.0 1021-21.5

AM Official 967.5-66.0 1021-21.5

Open int. 72,928

Total daily turnover 14,990

COPPER, grade A (\$ per tonne)

Close 1918-21 1918-15

High/Low 1900-03 1918/1905

AM Official 1921-22 1915-18

AM Official 1921-22 1915-18

Open int. 778,548

Total daily turnover 45,759

LME AM OFFICIAL 2% RATE: 1.650%

LME Clearing 2% rate: 1.650%

Spot 1.5834 1 mth: 1.5812 3 mth: 1.5814 6 mth: 1.5816

HIGH GRADE COPPER (COMEX)

Sett. Days

price change High Low Vol Int

Oct 58.90 +0.30 60.85 90.10 500 3,557

Nov 58.85 +0.30 60.10 89.80 222 1,827

Dec 58.15 +0.30 60.80 89.50 547 25,096

Jan 58.75 +0.30 60.80 89.50 95 1,340

Feb 58.25 +0.30 60.40 87.10 34 897

Mar 57.75 +0.25 60.40 87.50 418 2,168

Apr 57.25 +0.25 60.40 87.50 418 2,168

May 56.75 +0.25 60.40 87.50 418 2,168

Jun 56.25 +0.25 60.40 87.50 418 2,168

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Jan 46.75 +0.25 60.40 87.50 418 2,168

Feb 46.25 +0.25 60.40 87.50 418 2,168

Mar 45.75 +0.25 60.40 87.50 418 2,168

Precious Metals continued

GOLD COMEX (100 Troy oz. \$/troy oz.)

Sett. Days

price change High Low Vol Int

Oct 380.1 +0.1 380.5 380.2 34 40

Nov 380.1 +0.1 380.5 380.2 34 40

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Oct 380.1 +0.1 380.5 380.2 34 40

GRAINS AND OIL SEEDS

WHEAT LIFFE (\$ per tonne)

Sett. Days

price change High Low Vol Int

Nov 102.20 -0.10 102.50 102.10 19,947

Dec 102.20 -0.10 102.50 102.10 19,947

Jan 102.20 -0.10 102.50 102.10 19,947

Feb 102.20 -0.10 102.50 102.10 19,947

Mar 102.20 -0.10 102.50 102.10 19,947

Apr 102.20

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday October 5 1996

Blair speaks, equities rise

On Tuesday, Mr Tony Blair, leader of the UK Labour party, expounded his triumphal view of a new Britain, led by him into a millennial "age of achievement". Next day, City institutions raced to place their bets on a prosperous future, pushing the FTSE 100 index up from 3,950 into the next thousand. Further research is doubtless needed to establish the cause of this effect. Yet Labour's lead in the polls is so commanding that the expectation of a change of government must at least be in the price.

Round numbers have their mystery, no doubt, and the anticipated passing of the Dow Jones Industrial Average index through 6,000 will doubtless also provoke further questions as to whether the markets are overvalued. In the US, one market analyst suggested that "Time magazine's recent cover drawing attention to the rise of the market should, on past indications, be a signal to sell."

However, despite a strong inflow of private savings into mutual funds in the US and reasonably buoyant unit trust sales in the UK, there is little evidence of a Gaudian rush by the general public into equities as happened before previous collapses, notably in 1987.

In the UK, for example, the net level of unit trust sales has recovered only to about its level in 1993 and is half what it was in 1994. Private investors remain cautious. In the words of Chamberlain de Broe, a UK independent financial adviser, the recent strength of equities is tending to make private investors more nervous than greedy.

This may reflect the fact that the 1994 market correction, although less severe in retrospect than it seemed at the time, is still keenly remembered by investors. Those who borrowed against rising house prices to buy equities at the top of the market in 1987 will be even more cautious.

After allowing for inflation, UK equities were only 5 per cent higher in August than they were at the peak in July 1987. Since then prices have risen another 7 per cent.

Investment flow

The immediate cause of this rise has been a flow of investment from institutions which have plenty of cash. There are few tales now of computer programmers getting tips on penny shares from their hairdresser as happened a decade ago. Nevertheless, Blair or no

Blair, the City has been looking earnestly at the fundamental considerations which might underpin present stock market valuations. As ever, different indicators tell different stories.

One of the most worrying pointers is that the US stock market now values companies at 50 per cent more than the underlying replacement cost of their assets. This puts the so-called "Q ratio" of valuation to assets at 1.5, higher than at any time since the second world war. In the UK, the Q ratio is now more than 1.3, compared with only 0.6 in the 1970s and early 1980s.

Improved profitability

Optimists reply that higher Q ratios merely reflect improved profitability and the fact that modern service companies have a higher ratio of profits to assets than the old rust-belt industries.

Other indicators are also equivocal. Goldman Sachs, the US investment bank, estimates that for the world as a whole, the ratio of equity prices to earnings will be about 20 this year, close to the average for the last five years and not alarmingly far from the average of 17 per cent for the last decade and a half. Other ratios including the dividend yield and price to cash flow are also fairly close to recent historic trends.

Moreover, from the global perspective, the recent rise in the UK stock market looks less impressive. The total return on UK equities in 1995 has been about 10 per cent, the lowest of any European market except Italy and close to the average for the world as a whole excluding Japan.

There are, therefore, larger forces at work than Mr Blair's vision of the future or the recycling of windfall profits from huddling societies.

In the US, the Dow's recent recovery from its July trough needs to be viewed in a longer perspective. Its 6 per cent rise since February must be set against the evidence that the US is sustaining its economic recovery without excessive pressures on inflation or the labour market.

In the UK, low inflation, mounting evidence of a moderate recovery and generally strong profits may similarly account for a recovery which looks steep since July, but not so spectacular if one looks back 1,000 or so days to the last peak in 1994 and adjusts for inflation. That gives 11 per cent.

In the Commonwealth of Massachusetts, John Kerry, the able and rich Democratic senator, and Bill Weld, the erudite and comparably wealthy Republican governor, will have debated with each other nine times by the first Tuesday in November. In more ways than one, the contest for Mr Kerry's seat is the classiest election on offer this year, and it is anybody's guess who wins.

In the confederation of the United States, Bill Clinton, the Democratic president, and Bob Dole, his Republican challenger, go through the same public televised exercise only twice - in Hartford, Connecticut, tomorrow night and San Diego, California, on Wednesday of the week after next. The smart money says it will take an improbable Dole Exocet against the fast-moving Clinton battleship to prevent the incumbent from sailing back home to the White House on November 5.

Candidate debates may be overrated in the electoral scheme of things. Abraham Lincoln and Stephen Douglas may have set rhetorical heights in their debates in 1858, but the election of 1860 was not decided by them. Nixon-Kennedy in 1960 was the first of the electronic era, but those who heard it on radio thought the Republican won and those who caught it on TV favoured the Democrat.

Only twice since can a presidential debate be said to have made a difference. In 1978, Gerald Ford, then in the process of catching Jimmy Carter, lost momentum with his mind-boggling assertion that there were no Soviet troops in Poland. Four years later, when the race was very tight, Ronald Reagan shrugged off Mr Carter's attempts to portray him as a wild-eyed extremist with the killing words "there you go again". All the rest have made little difference to the outcome.

But debates have become, for better or worse, an American electoral institution. This year in Virginia they are a necessary tool for Mark Warner, a Democrat, to distinguish himself from his namesake, Senator John Warner, the Republican he wants to replace. In New Hampshire this week, Senator Bob Smith, the Republican, and former congressman Dick Swett, "verbally brawled", according to the local Manchester Union Leader newspaper, on everything from congressional parking privileges to receipt of tobacco lobby money.

For Mr Dole, the stakes tomorrow night are obviously higher than for Mr Clinton because he is so far behind - as much as 20 points in the latest clutch of opinion polls. The presidential election has the feel of being over, though the Dole camp keeps unearthly polling evidence that as much as a third of the electorate is still undecided and is waiting for reasons to ditch Mr Clinton.

That is what the Republican candidate must provide. But he is up against a president who is verbally more facile, better versed in the TV medium and who can be expected to recite persuasively his achievements, beginning with "the economy, stupid", his eloquent hopes for a "bridge to the future" as opposed to Mr Dole's

To the victor, the spoils

Tomorrow's televised presidential debate may affect other electoral battles in the US, writes Jurek Martin



Voter appeal: (anticlockwise from top right) Bill Clinton facing up to Bob Dole; debating partners Bill Weld and John Kerry; and Jesse Helms, locked in a tight battle for the fifth time in his career

nostalgia for the past. How much difference their confrontation makes to the equally important struggle for control of Congress is another matter. As it stands, the Republicans enjoy a majority of 53-47 in the Senate and 235-198 in the House (with one independent and one vacancy). Put another way, the Democrats need a net gain of three in the Senate (assuming vice-president Al Gore is still around to cast tie-breaking votes) and 19 in the House.

Incumbency, regardless of party, is probably an asset again this year, unlike 1994 - mainly because of the state of the economy, for which both Democrats and Republicans can claim credit. The real battle therefore centres on the open seats, mostly the result of retirements, and for

the places now occupied by the 74 strong Republican freshman class of two years ago. Many of the latter were elected on thin margins in lower-than-average turnouts.

In the Senate, 14 of the 34 seats up for grabs are the result of retirements, eight held by Democrats and six by Republicans. Of the others, 13 Republican incumbents are bidding for re-election, along with seven Democrats.

Most of the best-known departures are Democrats: Bill Bradley of New Jersey, Sam Nunn of Georgia, Paul Simon of Illinois, Bennett Johnston of Louisiana. This helps the Republicans, though the exit of Republican Cohen of Maine and Alan Simpson of Wyoming, has thrown

Some of their seats into play. Complicating matters, several new Republican candidates are a long way to the right of centre. If indeed the conservative revolution has run out of steam, then the likes of Mike Enzi in Wyoming, Al Salvi in Illinois and Roma Romney in Michigan, all ardently backed by the anti-abortion Christian Coalition, may be running two years too late.

Some Senate contests remain *sui generis*, immune to national trends. The most obvious is North Carolina, where, for the fifth time in his career, Jesse Helms, now 74, is locked in a tight battle. As six years ago, it is against Harvey Gantt, the black former mayor of Charlotte. It is said of the state that 40 per cent will always vote for the sen-

ator and a similar number never, which explains why his highest mark in four elections is 55 per cent. No scalp would be more highly prized by Democrats than that of the arch-conservative chairman of the foreign relations committee, but taking it is another matter.

Equally unusual is the contest in Texas for the seat occupied by Senator Phil Gramm. Bob Dole's early primary rival. This is a state in an odd mood, with a Bush (son George Jr) as Republican governor and generally right-wing inclinations.

But polls show surprisingly little between Messrs Clinton and Dole in the state. There is an outside chance that Mr Gramm's improbable Democratic rival - Victor Morales, a Hispanic schoolteacher without political experience - could pull an upset if Spanish speakers flock to him and if Mr Clinton runs strongly.

Forecasting the 435-member House is much tougher. An exhaustive survey in the Congressional Quarterly last week cautiously concluded the Republicans would just hold on, mostly because of further gains in the South. But it noted that 27 of the 50 seats identified as most competitive were held by Republicans, as were 22 of the 31 most threatened incumbents - 19 of them from the freshman class of 1994.

Because of the power of incumbency, contests from the presidential tickets may be short, as they were in 1994 when President Reagan's landslide did not produce big Republican gains in Congress. But Republicans fear Mr Dole can drag them down in an interview with the *New York Times* published yesterday, Newt Gingrich, the Speaker, advised party candidates to do what was necessary for their own survival, even if it meant distancing themselves from the presidential candidates.

This could be an election with substantial regional variations. The Republicans seem set to advance further in the south, but the west coast and the north-east are veering sharply back towards the Democrats. Mr Clinton, for example, has commanding leads in all the 17 states in the north-east and west coast, putting him well on the way to victory in the electoral college.

That should help some Democratic candidates, though in Massachusetts Mr Clinton's 23-point edge does not seem to be washing over into the Kerry-Weld contest. On the other hand, Mr Gingrich is urging Mr Dole not to abandon California for fear it could cost the Republicans seats in the House, as President George Bush did in 1992.

At both national and local levels, voter turnout will matter. Republicans tend to be more habitual voters and Democrats fear complacency from Mr Clinton's big lead.

Mr Ross Perot helped raise turnout in 1992, but is offering much less competition this year. Anyway, he has been excluded from the presidential debates, which, perhaps, will make them less entertaining - but, at least in the anticipation, no less important.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Credit also due to Italy

From Mr Raffaele Barbagallo.
Sir, In your article "Europe's new order" (September 25) you correctly mentioned that the UK, the UK and France have each taken responsibility of a sector in Bosnia as part of a 52,000-strong Nato mission (Ifor). You also praise Germany which wants to do more than helping with logistics.
However, as an Italian I am upset by the fact that Italy, in spite of its direct engagement in the mission with its assignment involving responsibility for one of the most delicate sectors in Bosnia, has not been given even a tiny space in your article.

Raffaele Barbagallo,
(Italian citizen in Copenhagen),
Parkvaenget 1,
2890 Charlottelund-DK,
Denmark

Reform of Council of Ministers as important as Commission overhaul

From Mr John Szemerey.
Sir, You are right to welcome the proposed internal reform of the European Commission ("Euro-reform" October 1). But why no mention of the other European Union institution that needs a thorough overhaul - the Council of Ministers or Council of the EU?

Eighteen months ago a high-level policy group of the British Conservative Association in Belgium pointed out the absurdity of having more than 20 different Councils of Ministers, one for each policy field.

We recommended to the UK government that as part of its approach to help prepare the European Union for further enlargements and for working more efficiently in the next century it should get the EU intergovernmental conference

(IGC) to fuse these different councils into two councils: a Council of Ministers and a Council of the European Union. One council would of course be better, but we accepted that it would be unrealistic to expect all 15 member states to accept it at this stage.

The Council of Ministers should decide matters under the Rome Treaties - in other words, to be the decision-maker for the European Community part of the European Union - and the Council of the European Union would decide policies and actions under the second and third "pillars" of the Maastricht Treaty, namely the more politically charged matters of defence, foreign affairs, and joint action against terrorists, drug trafficking, etc.

We also proposed that the Rome Council should be chaired

permanently by its secretary general (of the Nato Council) and that the more political Council of the EU should be chaired for terms of one year (instead of the present six months) by a minister or ex-minister from a member state.

However, the chair should not pass automatically from one country to the next in alphabetical order, but should alternate between the five big EU countries and ten small countries.

Reform of the Council, about which we have heard nothing in the IGC discussion and proposals, is at least as important as reforming the European Commission.

John Szemerey,
76 Marutlaan,
B-3090 Overijse,
Belgium

Imaginary world of zero inflation slowly becoming reality

From Mr Dan Strickberger.
Sir, "Inflation apologists" by Michael Frowse (September 30) contained the clearest statement I have seen on the positive economic impact of price stability.

Imagine that the world knew that starting tomorrow, Federal Reserve monetary policy would guarantee zero per cent inflation. The yield curve would drop like a stone, with short rates paying just a fraction of 1 per cent, while long rates would hover below 3 per cent. Every mortgage could be refinanced at lower rates,

drastically improving the average consumer's financial condition. The cost of capital would fall, enabling enormous business investment in new projects and products. The value of all assets, including stocks, bonds, real estate, private businesses and farms would rise in value, while the cost of servicing all government, business and personal debts would fall.

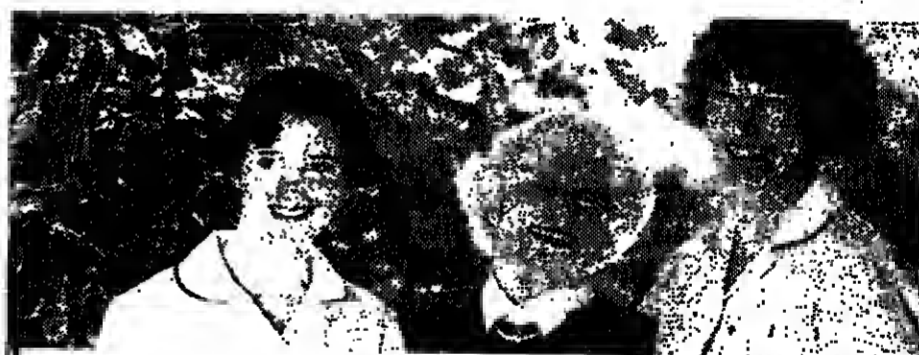
Is this just a fantasy or could it be real life? In fact, beginning with former Fed chairman Paul Volcker and continuing with Alan Greenspan,

this imaginary world has slowly become reality as the direct result of a not perfect, but nevertheless reasonably consistent, monetary policy. Interest rates have fallen over the past 15 years not because of Federal Reserve easing, but because fixed income investors believe inflation will remain low. In a zig-zag pattern, bond yields have moved over lower as bond investors become more confident they will earn an attractive real return.

If the Federal Reserve Board gradually achieves its goal of

price stability, and inflation expectations are no longer at the centre of economic calculations, then the slow, steady, long-term process of interest rate reductions will continue to provide a salutary effect on economic growth. Mr Frowse is to be congratulated for getting us a few steps closer to this goal.

Dan Strickberger,
adjunct fellow,
Alexis de Toqueville Institution,
1611 North Kent Street,
Suite 90, Arlington,
Virginia 22209, US



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ASHBOURNE HOMES

مكاتب التحرير



Normally it is one of the most sought-after invitations of the political year. The guest-list at Mr Ian Greer's reception at the Conservative party conference traditionally includes senior ministers, corporate bosses and influential journalists. The host, one of Britain's leading political lobbyists, moves smoothly from conversation to conversation: charming, attentive, discreet.

Things will be different this year. Mr Greer is at the heart of the "cash for questions" controversy, which this week exploded back on to the political agenda. He is no longer deemed a suitable company by many senior Conservatives; business leaders may stay away for fear of being tainted by allegations of "sleaze".

But Mr Greer is pressing ahead with his party regardless. Next Monday lunchtime at Bournemouth's stately Royal Bath Hotel, the lobbyist will be entertaining as usual - though he and his guests may not relish the media glare the event will attract.

"I doubt his party will be leaving this year," sniffed one senior Tory official yesterday. "If he wants to go ahead and organise a

Man in the News • Ian Greer

Mr Fixit out of favour

George Parker on the lobbyist caught in the cash-for-questions row

party, that is up to him."

It has been a humiliating and gruelling week for Mr Greer. Last Tuesday, he and Mr Neil Hamilton, Tory MP for Tatten, dropped a long-awaited libel action against the Guardian newspaper less than 24 hours before the case was due in the High Court.

The Guardian alleged that Mr Greer acted as a conduit for payments to Mr Hamilton from Mr Mohamed Fayed, owner of Harrods, during the battle to control the London store in the late 1980s. The newspaper claimed Mr Hamilton received undeclared payments for asking Commons questions.

The collapse of the libel action caused immediate damage to Mr Hamilton, the Tory party and Mr Greer. A triumphant Guardian repeated its claims and came up with several new allegations about the link between Mr Greer and politicians. Both men deny the

allegations, which will now be investigated by Sir Gordon Downey, the parliamentary commissioner for standards.

The damage worsened when it emerged that Mr Greer had offered gifts of between £500 (£780) and £5,000 to the local associations of 21 past and present MPs - 24 of them Conservatives - to help with their 1987 election campaigns. The payments were legal and above board, but led to questions about what Mr Greer expected in return.

Mr Greer was hit financially too, when the court ordered him to pay £7,500 towards the Guardian's legal costs; his own costs are estimated at £150,000.

And throughout this turmoil, he was sending out letters to friends and contacts to reassure them that next week's reception in the Royal Bath Hotel was going ahead as planned. As he said earlier this week: "I am a political animal."

Mr Greer, who pioneered British political lobbying when he set up in business in 1969, is not one to withdraw quietly when things get tough.

"You cannot doubt his courage," says one rival in the industry. "He is a foolish man at times, but brave nevertheless."

Clients pay lobbyists to gain influence at Westminster and get their views across. Ian Greer offered unrivalled access to senior cabinet ministers from John Major down. The Guardian's allegations that he made payments to a Tory MP to ask specific Commons questions for a client brought the cosy relationship between lobbyist and politicians into sharp focus.

His best contacts are in the Conservative party - he once worked as a Tory agent - but his sphere of influence crosses political boundaries. Labour and the Liberal Democrats have been affected by the fall-out from

the collapse of the Greer/Hamilton libel action.

Labour insists the sleaze issue is a Tory issue. Party officials say the key question is whether Mr Hamilton received cash for asking questions in the Commons.

But Baroness Turner, the party's frontbench spokeswoman in the Lords and an IGA director, was forced to resign on Thursday night for defending Mr Greer's business dealings. Doug Hoyle, chairman of the parliamentary Labour party, and Chris Smith, shadow health spokesman, were both questioned by journalists about help received from Mr Greer for their election campaigns.

Senior Tories yesterday welcomed Labour's entanglement in the Greer web. "It is doing real damage to politics generally, not just to one political party," said one official.

The affair has also been a blow to the political lobbying industry which realised

several years ago it needed to clean up its act. In 1994 the big lobbying companies, including IGA, agreed an industry code of conduct with three main rules: the client list should be made public for the purposes of transparency, there should be no financial links with MPs, and no MPs should serve on the board.

Significantly, all the allegations against Mr Greer are about events that predate the agreement.

"I think we have genuinely made some progress in the industry," says Michael Burrell, managing director of Westminster Strategy. "I think we have changed the climate and the way in which we deal with things."

Mr Greer admits the "cash for questions" affair has badly damaged his business in the UK. He is now seeking new clients overseas and is building up his business in Europe.

Follow lobbyists believe he failed to react quickly enough to the growing public disquiet about the role of lobbyists at Westminster, but there is some sympathy for him.

"As a pioneer in the industry, he really had to make the rules up as he went along," says another rival. "There were no rules."

Profit and weight loss

Daniel Green looks at the craze for slimming drugs sweeping the US following the discovery of genes linked to obesity

It was launched in May 1995. Today it is the market leader with sales approaching \$1m a day and rising. Redux, a drug to help obese people slim, has become the medical event of the year in the US.

Americans can already buy the Redux drug, check out internet sites devoted to it and catch enthusiastic weight-loss doctors on network television. Last month, Time magazine devoted its cover story to a prescription drug.

Redux is a hit in financial circles too. Stock market analysts have raised their sales forecasts for the drug to about \$500m a year. The price of shares in Interneron, its US manufacturer, have tripled in the past year, while those in American Home Products, which markets it, are up by almost half.

The drug's rapid success is evidence of a profound change in the way doctors view obesity. Once, very fat people were regarded as self-indulgent or weak-willed. Now they are increasingly seen as suffering from an illness that will probably kill them.

"Until about two years ago, most people thought that if only obese people pulled themselves together and ate less everything would be all right," says Professor Nick Finer, who runs one of the UK's few hospital-based obesity clinics at Luton and Dunstable Hospital north of London. "The last two years have seen an explosion in our understanding of the molecular biology of obesity."

The main reason is the discovery of genes linked to obesity. At least six have so

far been found, each of which appears to play a role in whether people tend to gain or lose weight.

There is no change in the view that people gain weight because they eat more than they need to. But there is enough evidence to say that genes can trigger obesity in some people and not others.

"Obesity is now recognised as a chronic disease that requires long-term treatment," declared an editorial of the New England Journal of Medicine in August.

But if obesity is a disease, it is an epidemic. Estimates of the proportion of Americans who are clinically obese vary from 14 per cent to more than 30 per cent. Only arthritis, high blood pressure and diabetes affect more people, and only cigarette smoking causes more deaths.

Europeans are less likely to be obese than Americans. Fewer than 10 per cent are over the danger line, which is defined in terms of a "body mass index" of more than 30. The index is calculated by dividing a person's weight in kilograms by the square of their height in metres. This means that a person 1.75m tall who is over 82kg is clinically obese.

Obesity is expensive. Epidemiologists at Harvard University say obesity and its complications cost the US \$45.8bn a year - about 5 per cent of spending on health. There is also an estimated bill of \$23bn a year in lost work; and consumers spend \$33bn a year on weight-loss products and services.

For decades the pharmaceutical industry has attempted to gain a toe-hold in what should be the potentially enormous business of producing drugs that control

weight. But their products such as amphetamines and other stimulants had unpleasant and sometimes dangerous side-effects.

Thus anti-obesity drugs have been a relatively small part of their business. IMS, the drugs industry market researcher, says north American sales of all obesity drugs in 1995 amounted to \$178m a year, a tiny fraction of the \$60bn of prescription drugs sold annually.

There is, in fact, nothing new about Redux. Its active ingredient, dexfenfluramine, was invented by Servier, a French drugs company, and has been on sale in Europe for almost a decade. It works by dampening the appetite through increasing the amount of a material in the brain called serotonin.

It is a purified version of an even older drug, fenfluramine, which had serious side-effects. European regulators therefore approved dexfenfluramine only so long as it was prescribed for a maximum of 12 weeks.

However, the US Food and Drug Administration has taken a more relaxed approach based on the evidence of a genetic cause for obesity and the corollary that patient will-power plays only a part in weight loss. It authorised a 12-month clinical trial and approved Redux in April without a set limit on how long a patient should take it.

Since then, more than 1m prescriptions for Redux have been written in the US. This success has tempted dozens of other pharmaceutical and biotechnology companies to redouble their effort to make slimming drugs.

They include Roche, the

Swiss giant, which forecasts annual sales of its yet-to-be-launched drug at SF7700m (\$883m). There are also tiddlers such as Alizyme, valued at \$5m (\$7.8m) on the London Stock Exchange's Alternative Investment Market, which is producing a decade away from a product launch.

Drugs analysts at NatWest Markets list five obesity drugs in clinical trials and another 16 in the laboratory.

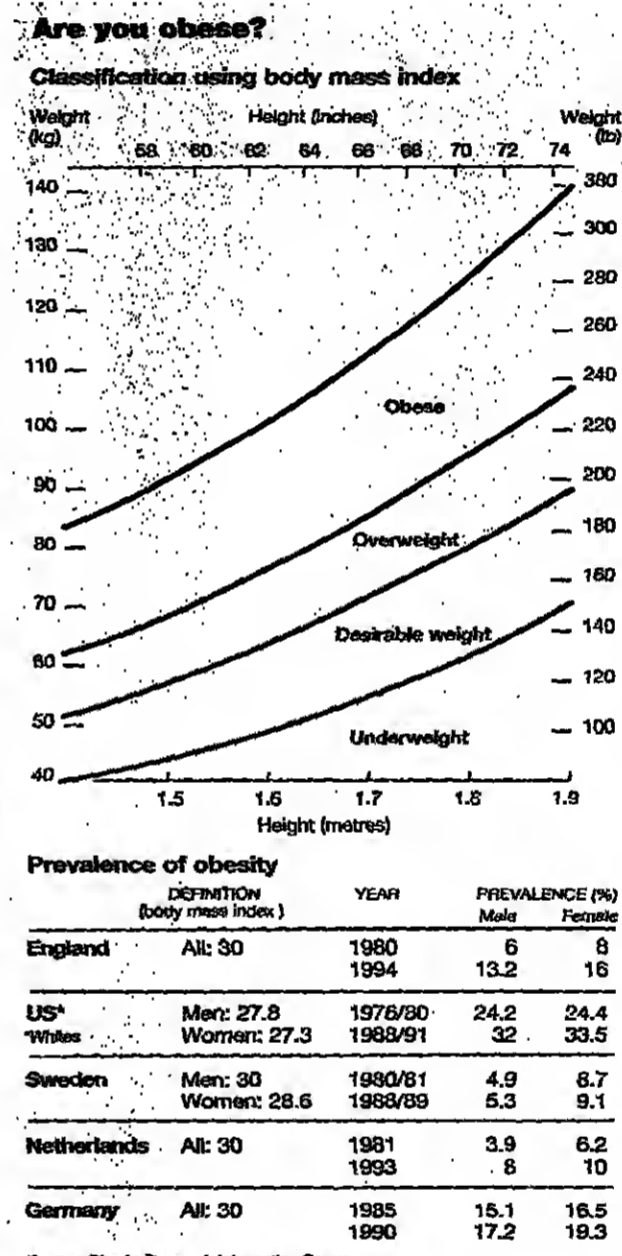
Yet there remain big hurdles to be jumped before some of these products reach the market. Late last month, the Food and Drug Administration's advisers on obesity drugs narrowly rejected an application for approval of a slimming drug made by Germany's BASF. The drug, sibutramine, is chemically similar to Redux. The advisers feared that sibutramine's side-effect of increased blood pressure outweighed the benefit of weight loss.

Doubts have also been cast over at least one of the drug research programmes using the latest genetic findings on the nature of obesity. Amgen, the California biotechnology company, is working on the ob gene. Ob produces a protein called leptin which causes fat cells to lose weight. But trials on obese people found they stayed heavy in spite of high levels of leptin.

Redux has not escaped criticism either. Although its side-effects are milder than older slimming drugs, there is evidence that it may cause a rare but deadly condition called primary pulmonary hypertension in one in 50,000 people taking it.

Nevertheless, European regulators are re-examining the 12-week limit they imposed on dexfenfluramine's use. One point that may sway the argument is that if slimming drugs are not available, others - perhaps more dangerous - may have to be prescribed to deal with diabetes, high cholesterol and other consequences of obesity.

European regulators have already given their - secret - opinion to the European



Feels good, tastes better

The public's appetite for eating out is feeding a boom in the UK restaurant sector, says Scheherazade Daneshkhu

On a midweek night in Covent Garden, London's busy tourist district, the 300 seats in the privately-owned Le Palais du Jardin restaurant are full. Customers waiting for a table sip drinks around the enormous wood and brass bar on one of the restaurant's four levels as they eye each other up amid the loud chatter and piano music.

There has been an explosion of flashy new restaurants in London over the past few years in a strong revival of the UK restaurant sector, which has a turnover of £13bn. One of the flashiest opened last week in central London, when supermodels Naomi Campbell, Claudia Schiffer and Christy Turlington launched their Fashion Cafe.

New restaurants are also springing up elsewhere in the UK. Harvey Nichols, the Knightsbridge fashion store which opened its 300-seater Oxo Tower restaurant on London's south bank last month, is opening a shop and restaurant soon in Leeds.

Sir Terence Couran, the design guru behind several large new London restaurants, is planning one in Glasgow for 1998. And in Edinburgh, Indigo Yard, a buzzing restaurant renowned for the attractiveness and sociability of its waitresses, has been very busy since opening in July.

Mr Michael Gill, who opened Brasserie Fortye Four with partner Jonathan Wix along Leeds' canal front in 1991, says: "Ours was the first brasserie in the city, but now there is tremendous competition. People display a sense of security that wasn't there 18 months ago. Although they may not be sure that they can afford to buy a new car, they feel they've worked hard enough to deserve a good meal."

The restaurant sector is a barometer of economic confidence, says Mr Hugh Cade, partner in the hospitality consultancy arm of Deloitte & Touche, the accountants. Improved economic conditions since the 1989-91 recession have been an important factor in rising demand, as has an improvement in the quality of food.

People feel they can afford to eat out more frequently and are spending more when they go out. Mr Dominic Ford, food and beverage director for Harvey Nichols restaurants, estimates the average bill in the Fifth Floor restaurant at its Knightsbridge department store has increased by more than 40 per cent since it opened in late 1992.

Increasing competition has kept food prices down but the average bill is being pushed up by a shift towards more expensive wines. "People are not shyling away from starting off with Dom Perignon champagne before moving on to a Chateau Lafort with the meal," Mr Ford says.

At Zorba's Greek restaura-

nt in Birmingham, the tables are fully booked three months ahead. By the end of this month there is likely to be no room in the 150-seater restaurant until after Christmas. "A few years ago people went out for a meal a few times a year for birthdays and anniversaries," says Mr Dimitrios Gougoulas, the owner. "Now we have regulars who come several times a week - they come in because they don't want to cook. They are working harder and playing harder."

The Henley Centre, the forecasting group, says eating out has become an increasingly normal part of everyday life, particularly for busy working people. Strong growth in tourism, predicted for the next few years, will also help sustain the market, especially in London. The centre forecasts that spending on eating out in restaurants will rise 40 per cent to £18bn a year in 2001, compared with 30 per cent growth over the past five years.

But is the growth in restaurant capacity sustainable? Two years ago there were 5,000 seats in themed



Switzerland is increasingly irritated by criticism of its wartime role, writes William Hall

Rich vein of anger

Switzerland is starting to resemble a country under siege. This week the lower house of the Swiss parliament unanimously approved a sweeping investigation into the country's dealings in looted Nazi gold and other assets stolen from victims of the Third Reich.

Mrs Verena Grandelmeier, the Swiss politician who pressed for the investigation, says it is time for Switzerland to recognise its "part of the guilt for the greatest catastrophe of the century". Her views are echoed by other leading Swiss politicians.

Yet international criticism of Switzerland's wartime role continues to increase. And there are signs that Switzerland is starting to develop a sense of paranoia about the attacks.

Many Swiss believe their country has been found guilty before all the facts have been determined. Recent revelations about Switzerland's financial dealings have been largely based on information already freely available in published German and French sources. Switzerland has been particularly upset by a UK Foreign Office report claiming that almost all of the looted Nazi gold stayed in Switzerland.

Professor Harold James, a US historian at Princeton University, describes the claim as "absurd". He says the report's authors appear not to have studied the archives of the Swiss National Bank.

Professor James's view is that if Switzerland is to deal with this

kind of criticism, it must demonstrate more openness about its history. However, this may do little to ease the pressure on the country - as the recent release of the full report into the wartime activities of the Swiss National Bank has shown.

The bank issued an edited version of a report into its gold transactions with the German Reichsbank by Mr Robert Vogler, its archivist, in 1985. According to the report, the management of the central bank was "politically insensitive in the performance of its duties and even displayed a naive gullibility in its dealings with the Reichsbank".

But the unabridged version of the report is much more damning. The Swiss National Bank apparently continued buying Nazi gold because it had been assured by Emil Puhl, the Reichsbank's deputy governor, that it had not been looted.

The central bank's archivist believes there were good grounds for doubting Puhl's credibility at an early stage. Puhl was one of only two members of the German Reichsbank not to be asked to resign after a row with Hitler in 1939 - hardly a ringing endorsement of his integrity.

Meanwhile, it is clear that as the war drew to a close there was a row inside the Swiss National Bank over the legality of its gold

dealings with the Germans. Alfred Hirs and Paul Rossy, two of the three top officials, accused each other of knowing that the bank was buying looted gold. Rossy wrote to the Swiss finance ministry, threatening to resign if Hirs was not replaced.

This undermines the argument that in continuing to deal with the Germans, the bank was "acting in good faith". Yet both men continued to work for the central bank until the mid-1950s, regularly re-appointed by the government.

There is plenty of evidence to suggest the Swiss government was increasingly worried by the sympathetic behaviour of its central bank.

There are signs that the Swiss are becoming paranoid about renewed allegations of looted Nazi gold and other assets stolen from victims of the Third Reich

towards the Germans. Tension between the two sides came to a head following the 1946 Washington agreement under which Switzerland agreed to pay SF250m to settle Allied claims on looted Nazi gold held in Swiss bank vaults.

At first, the national bank refused to contribute, arguing the debt had been incurred by the nation as a whole. In the end it contributed SF100m, 40 per cent of the total.

The involvement of Switzerland's central bank in the gold dealings has also drawn fire on to the Swiss-based Bank for International Settlements. Owned by the world's major central banks, it shared the same chairman as the Swiss National Bank for most of the war.

It is well known that a quarter of the gold the BIS bought from Germany was looted - it was subsequently returned to the Allies. What is less well known is how the BIS came to handle so much looted gold when it was being run by Thomas McKittrick, a respected US banker, and was supposed to have refrained from all such operations.

The BIS has now promised to open its archives for international inspection. But the fact that it has largely escaped scrutiny so far has fed Swiss paranoia over their harsh treatment in the world's media.

"Why is Switzerland being singled out," asked Die Weltwoche, a leading Swiss weekly, "when there

is plenty of equally damaging material coming out about the wartime dealings of countries such as Norway and Sweden?"

Some Swiss politicians see critical comments in the US and UK media, in particular, as part of a plot to undermine Switzerland's importance as a financial centre. "It is no coincidence that harsh tones are coming from the City of London and the New York senatorial campaign," says Mr Marc Suter, a liberal democrat.

Others believe that Mr Alfonso D'Amato, the US Republican senator leading the hunt for Nazi gold in Swiss banks, is trying to strengthen his chances of re-election by winning the support of New York's large Jewish community.

The appointment of Mrs Madeleine Kunin, a Jewish Democrat, as US ambassador to Switzerland, has added to Swiss suspicions that their country is seen as a target for US politicians eager to curry favour with an important sector of the US electorate.

Professor David Cesarini, professor of modern Jewish history at Southampton University in the UK, recently wrote that the popularity of stories about the Nazi era may be explained "because they allow us to express moral indignation about realpolitik and business practice without tackling the instances of treachery and exploitation occurring under our noses today".

It is an opinion which strikes a chord with many Swiss.

Commission and a decision is expected shortly. Prof Finer believes that it is "all but a foregone conclusion" that the rules will be changed.

As he puts it: "Drugs don't work when you're not taking them. The logic for using obesity drugs is as part of a long-term strategy to treat a long-term disease."

Additional reporting by Richard Wolfe and James Burton

UNIT TRUSTS

WINNERS AND LOSERS

Schroder Seoul

1993	1,000
1994	1,100
1995	1,200
1996	1,300

TOP FIVE OVER 3 YEARS

Proffitt Technology	2,110
Framlington Health	2,013
Baring Europe Select	2,004
Hill Samuel US Smaller Cos	1,976
PM North America Growth	1,968

Govett American Growth

1993	1,000
1994	1,100
1995	1,200
1996	1,300

TOP FIVE OVER 10 YEARS

Gartmore American Emer Gth	6,867
Proffitt Technology	6,174
F&C US Small Companies	6,024
Gartmore Hong Kong	5,855
Abbey Asian Pacific	5,809

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. Source: HSW (01625 511311)

Indices

FTSE 100	5,277.7
FTSE 250	4,000.0
FTSE 1000	3,333.3

UK Eq & Bd

1 year (%)	3	5	10	Volatility	Yield (%)
BWD Balanced Portfolio	1148	1499	1935	-3.8	1.3

Nth America

1 year (%)	3	5	10	Volatility	Yield (%)
Hill Samuel US Smaller Co's	1378	1875	2616	-5.4	-

Best Peps

1 year (%)	3	5	10	Volatility	Yield (%)
Jupiter European	1383	1932	2794	-3.5	0.8

UK Growth

1 year (%)	3	5	10	Volatility	Yield (%)
Jupiter UK Growth	1215	1730	2421	-3.7	1.9

Intl Equity Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Pembroke Equity Income	1079	1317	1705	2440	2.9	4.7

Europe

1 year (%)	3	5	10	Volatility	Yield (%)	
Baring Europe Select	1394	2004	2263	2680	3.8	0.8

Money Mkt

1 year (%)	3	5	10	Volatility	Yield (%)	
Newton Cash Acc	1045	1137	1279	-	0.2	5.3

UK Growth & Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Credit Suisse Growth Port Inc	1121	1455	1935	-	3.5	1.3

Intl Fixed Interest

1 year (%)	3	5	10	Volatility	Yield (%)	
Baring Global Bond	1109	1148	1656	-	1.8	6.2

Japan

1 year (%)	3	5	10	Volatility	Yield (%)	
Hill Samuel Japan Technology	962	1115	1374	2303	6.6	-

Investment Trust Units

1 year (%)	3	5	10	Volatility	Yield (%)	
Quilter Investment Trusts Inc	1137	1382	2095	-	3.8	0.8

UK Smaller Companies

1 year (%)	3	5	10	Volatility	Yield (%)	
Laurence Keen Smaller Cos	1318	1867	-	-	3.4	1.1

Intl Fixed Interest

1 year (%)	3	5	10	Volatility	Yield (%)	
Baring Global Bond	1109	1148	1656	-	1.8	6.2

Far East inc Japan

1 year (%)	3	5	10	Volatility	Yield (%)	
Schroder Far East Growth Inc	1043	1297	2167	-	6.0	-

Fund of Funds

1 year (%)	3	5	10	Volatility	Yield (%)	
Portfolio Fund of Funds	1066	1425	2061	-	3.1	0.8

UK Equity Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Jupiter Income	1188	1712	2721	-	3.8	4.3

Intl Equity Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Newton Interpud	1067	1407	-	-	3.7	1.7

Far East exc Japan

1 year (%)	3	5	10	Volatility	Yield (%)	
HSBC Hong Kong Growth	1239	1569	3369	5780	9.0	1.2

Financial & Property

1 year (%)	3	5	10	Volatility	Yield (%)	
Save & Prosper Financial Secs	1253	1586	2580	3508	3.9	0.6

UK Equity & Bond Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Proffitt Extra Income	1089	1319	1730	3015	3.0	4.8

Intl Growth

1 year (%)	3	5	10	Volatility	Yield (%)	
Proffitt Technology	1138	2110	4320	5174	5.9	-

Commodity & Energy

1 year (%)	3	5	10	Volatility	Yield (%)	
Save & Prosper Gold & Exp'ltn	1189	1727	2677	2129	9.5	-

Global Emerging Mkts

1 year (%)	3	5	10	Volatility	Yield (%)	
Stewart Ivory Emerging Market	1137	1300	-	-	6.0	0.8

INVESTMENT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

TR Technology	3,254
Kleinwort Development Fund	2,421
TR European Growth	2,256
Investco English & Intl Rights & Issues Inc	2,207
North Atlantic Smaller Cos	2,091

TR European Growth

1993	1,000
1994	1,100
1995	1,200
1996	1,300

TOP FIVE OVER 5 YEARS

TR Technology	7,480
MCIT Capital	5,179
Foreign & Colonial Enterprise	4,113
Thompson Clive	3,903
North Atlantic Smaller Cos	3,668

TOP FIVE OVER 10 YEARS

Canover	9,805
Rights & Issues Capital	6,969
Capital Gearing	6,704
Rights & Issues Inc	6,574
Pacific Assets	5,907

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. For investment trust prices see main paper.

UK General

1 year (%)	3	5	10	Volatility	Yield (%)	
Finsbury Trust	1193	1734	2404	7	4.3	2.2

Intl Cap Gth

1 year (%)	3	5	10	Volatility	Yield (%)	
RIT Capital Partners	1297	1718	2749	16	4.5	0.8

FE inc Japan

1 year (%)	3	5	10	Volatility	Yield (%)	
TR Far East Income	1200	1375	2608	-6	6.8	4.3

High Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Gartmore Scotland (Units)	1117	1301	-	-	3.4	4.8

UK Capital Growth

1 year (%)	3	5	10	Volatility	Yield (%)	
Fleming Enterprise	990	1337	1708	10	5.3	2.7

Intl Income Growth

1 year (%)	3	5	10	Volatility	Yield (%)	
Murray International	1183	1414	2061	0	4.2	3.8

Far East exc Japan, General

1 year (%)	3	5	10	Volatility	Yield (%)	
TR Pacific	1029	1379	2829	0	9.7	0.2

Split - Capital

1 year (%)	3	5	10	Volatility	Yield (%)	
MCIT Cap	1403	2014	3179	1	4.4	-

Smaller Companies

1 year (%)	3	5	10	Volatility	Yield (%)	
INVESTCO English & Intl	1430	2207	3023	0	7.1	0.7

North America

1 year (%)	3	5	10	Volatility	Yield (%)	
North Atlantic Smaller Cos	1072	1833	3668	12	5.0	-

Far East exc Japan, Single Country

1 year (%)	3	5	10	Volatility	Yield (%)	
First Philippine	1106	1452	3071	18	7.8	-

Split - Inc & Residual Cap Shares

1 year (%)	3	5	10	Volatility	Yield (%)	
TR Technology	1671	3254	7480	30	10.5	1.2

UK Income Growth

1 year (%)	3	5	10	Volatility	Yield (%)		
Morgan Grenfell Equity Income	1050	1318	-	-	8	4.0	4.1

Continental Europe

1 year (%)	3	5	10	Volatility	Yield (%)	
TR European Growth	1337	2256	2717	-2	4.9	0.6

Emerging Markets

1 year (%)	3	5	10	Volatility	Yield (%)	
Templeton Emerging Markets	1076	1244	2587	0	7.2	0.9

Split - Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Rights & Issues Inc	1421	2091	3042	-	2.9	5.2

Venture and Devt Cap

1 year (%)	3	5	10	Volatility	Yield (%)	
Kleinwort Development Fund	1410	2421	2821	18	3.9	3.2

Pan Europe

1 year (%)	3	5	10	Volatility	Yield (%)	
Kleinwort Charter	1259	1578	2127	13	4.8	2.3

Closed End Funds

1 year (%)	3	5	10	Volatility	Yield (%)	
Capital Gearing	1251	1396	1789	5	3.2	0.1

Split - Zero Dividend

1 year (%)	3	5	10	Volatility	Yield (%)	
Edinburgh Income Zero Div Pfl	1125	1316	1848	-	2.3	-

Intl General

1 year (%)	3	5	10	Volatility	Yield (%)	
Personal Assets	1243	1524	2089	-	4.0	2.2

Japan

1 year (%)	3	5	10	Volatility	Yield (%)	
Fleming Japanese	1063	1004	1312	1	6.5	-

Property

1 year (%)	3	5	10	Volatility	Yield (%)	
TR Property	1162	1179	1244	13	6.4	3.7

Split - Income

1 year (%)	3	5	10	Volatility	Yield (%)	
Rights & Issues Inc	1421	2091	3042	-	2.9	5.2

UNIT TRUST LAUNCHES

Trust Name	Target Yield	Start Date	Investment Focus	Special Offer
European Smaller Companies Fund	5.125%	No	Invests in equity of smaller companies which may benefit from moves towards an equity culture in continental Europe	None

Glossary

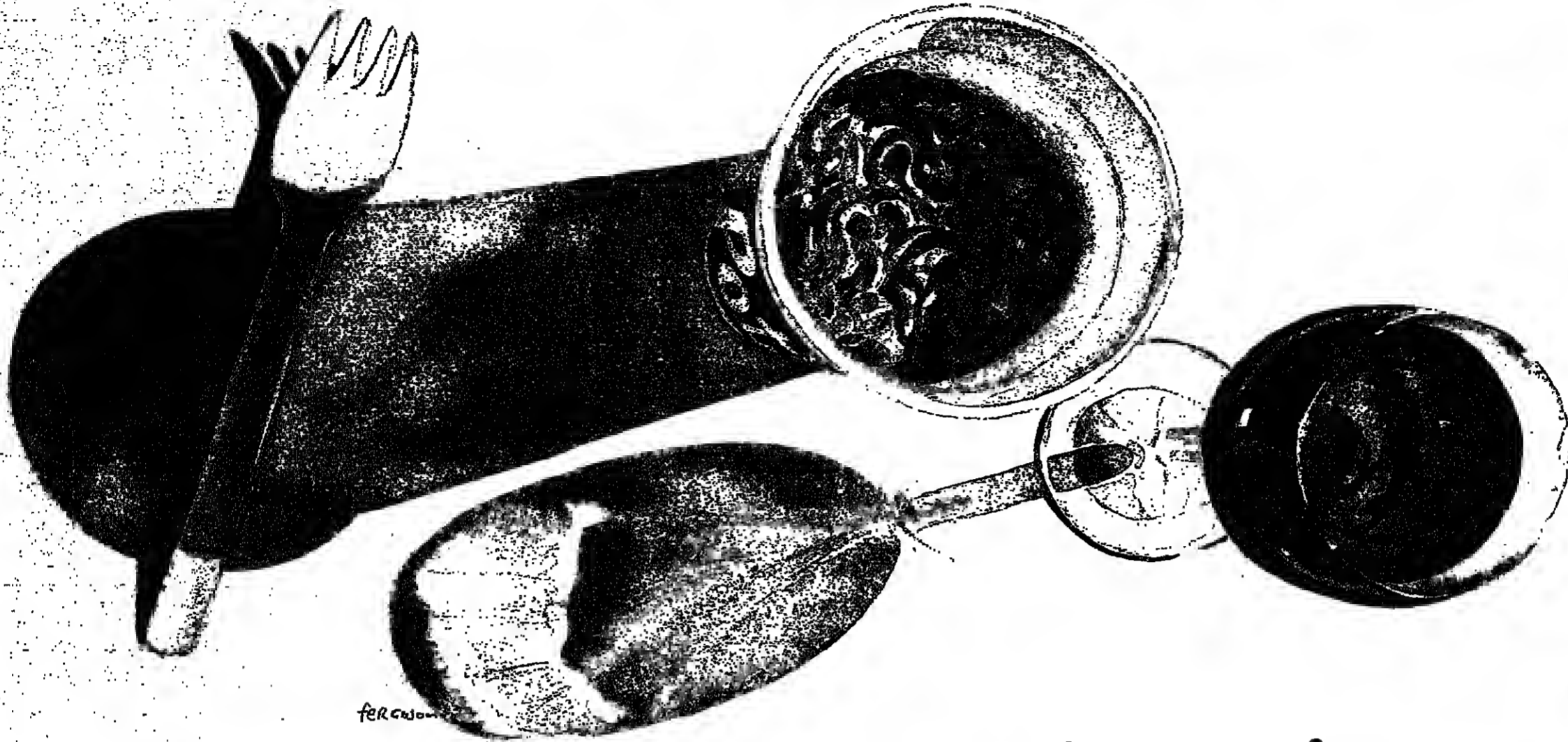
Performance: Tables like these are full of traps for the unwary. Trap 1: don't expect them to tell you which trusts will do best in future - they are merely a historic record. Trap 2: don't make minute comparisons of unit and investment trusts - the unit trust figures take account of the spread between buying and selling prices; the investment trust ones take mid-market prices in both cases. So comparisons flatter investment trusts.

Volatility: Shows the absolute variability of a trust's performance. As a rule of thumb, the more volatile a fund's progress, the higher the return investors demand from it to compensate for the additional risk. Unusually volatile funds should be avoided by anyone investing over the short or medium term or those who cannot afford big losses. But investors who can afford to take a long-term view may want to have some high risk/high reward trusts in their portfolio to spice it up.

Yield: Even this has traps for the unwary. Most unit trusts charge their management expenses against income, so the yield is net of expenses. But a recent rule change means that trusts are allowed to charge some or all of their management expenses to capital, thus inflating the yield. Our managed funds pages identifies those trusts which charge to capital. Investment trusts used all to charge expenses against income, but some now charge some against capital.



Weekend FT



The tasteless food society

Jancis Robinson argues that consumers should rise up and crush the growing noodle snack-pot culture

The tomatoes would never have made it to the supermarket shelf. They were too misshapen, too irregularly coloured. They were warm from the Mediterranean sun and gave off a beady perfume. We ate little more than these fireballs of flavour, with a crunchy baguette and a wedge of sweet, freshly churned butter sliced from the local fromagerie's giant slab.

Lunch under the trees marked the start of this summer's holiday in one of the poorest parts of southern France. The day before I had been filming in a British supermarket, marveling at baked bean pizzas and pineapple flavoured stilton, wondering whether it was me who was crazy or the British buying public.

Was I wrong to be presenting a televised look at the modern British food industry as a lamentation for what we had lost rather than a celebration of what we had gained? One sniff of Martine's tomatoes suggested not. Indeed, one food label we had filmed, on certain

categories of supermarket tomatoes, boasted that they had been "grown for flavour". What has gone wrong with the food supply if this fundamental attribute is offered as an optional extra? I had previously assumed, that what happened in the world which I inhabit professionally - the wine world - vaguely mirrored what happened in food. But the more I sniffed around the brightly lit, temperature-controlled, price-point-dominated supermarket shelves, the more worried I became.

Do shoppers really want bacon flavour soya chips - "Crunchy! Contains no animal fat" - more than they want a decent loaf of bread? Who asked them whether they preferred vegetables to look perfect rather than taste good? Are consumers right to have abdicated responsibility for what they eat to a few big retailers? Do they realise what compromises are made in the name of value?

The result of applying technology to the wine industry has been almost entirely beneficial. Today we have better-made wine than

ever, even if some individuality has been sacrificed for sound quality. The result of intense competition on an international scale has been to make basic to medium-level wine better value in real terms today than it was 30 years ago.

The same observation can hardly be made of food. Since the second world war, technology has been applied to the food industry with a vengeance. The result in the field has been higher yields (a questionable development in wine production too), more uniformity, better keeping or processing qualities and, all too often, less flavour. And that is for crops and animals still raised in the field. Far too many have been moved to dismal hot-houses of production in simulated environments.

Technology has brought some benefits, particularly in developing countries where pesticides and improved distribution have rescued entire crops, and, sometimes, populations. But in the developed world, where we are meant to enjoy the luxury of choice, the options have been trans-

formed and meaninglessly multiplied.

While the agrochemical industry revolutionised primary food production, food manufacturers worked on adding value to relatively cheap raw materials, by reformulating, permuting, colouring, flavouring, dehydrating, freezing, ovel packaging and marketing.

Different countries responded to this more industrial style of food with varying degrees of enthusiasm. The French, and most other Europeans, saw no reason to buy small pieces of flavourless fish encased in orange breadcrumbs and batter

when there were so many more exciting fresh fish to fry.

Unilever, the Anglo-Dutch consumer goods group, found its tasty technomorsels much more difficult to sell to the Dutch and the Germans, for example, than to the British, to whom all things associated with the US seemed so glamorous in the years after the second world war.

The British, after all, had experienced an early divorce from primary food production because of the industrial revolution. Although many of its raw ingredients are the envy of the world - game, salmon, cream, soft fruit, hard cheese and, until recently, beef - Britons were notorious for their philistine attitude to its preparation and consumption long before the war.

It is hardly surprising that the food industry found the British palate so eager for its wares. Time and again consumer research shows that what the British want on their plates - or, all too often, in the packets or plastic platters they are happy to eat from - is cheap food. Not

necessarily good quality, or flavoursome, or nutritious, but cheap.

Rather than a concept which corresponds to the all-important Japanese notion of "food purity", we have pies and pasties made from something called "meat", the origins of which we dare not delve into, and factory food such as Cheese Bacon Grills, "quality minced baccio topped with processed cheddar cheese and coated in crispy breadcrumbs".

The result, particularly in Britain and North America, has been a move towards "convenient" foods which are removing us from that dirty, suspect stuff, food in the raw, unshielded by plastic or process.

The technical achievement of providing cook-chill ready meals is blessed by millions of affluent consumers every week, but I worry about a nation which needs ready-

prepared baked potatoes, deep frozen sauté potatoes and welcomes six-minute paella in a pouch.

The British and American food industries are distinguished by a significant structural difference. Food distribution in Britain is dominated by a handful of retailers which promote own-label goods, leaving their suppliers in a distinctly subordinate position. In the US, where retail power is much less concentrated, food manufacturers call many more of the shots, even down to detailed merchandising in individual stores.

But what ends up on the shelves of local supermarkets is similar, even if Britain is at an earlier evolutionary stage than North America: tens of thousands of different lines, some of them welcome innovations

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Joe Rogaly

Baffling the doctors

Some illnesses are very uncomfortable for the medical profession

The illness known as ME in Britain and Chronic Fatigue Syndrome in much of the rest of the world is hard for doctors to handle. It is even harder for victims to bear. As with repetitive strain injury, clinical judgment depends on what the patient says.

There may be clear symptoms of distress, but no proven answers. The laboratory has nothing to say. Getting well is a long struggle. Physicians are baffled by the chest pains, dizziness, headache, back pain, sore joints and muscles, bowel and bladder dysfunction, some uncomfortable throats - and chronic fatigue.

I take the above list from a report* published this week by Britain's medical establishment. Three Royal Colleges - of physicians, psychiatrists, and general practitioners - have reached a consensus, some of which may be helpful.

For a start, they reject the term "yuppie flu". This implies that upwardly mobile individuals, particularly young women in successful careers, imagine some cause of stress beyond their own ambition and their consequent angst. Such tabloid nonsense is rightly dismissed by the colleges three.

clear link to social class or occupational group," says the report.

So far, so good. Not everyone who has been afflicted will accept the collegiate setting-aside of the term ME. Myalgic encephalomyelitis describes muscle pain and inflammation of the brain and spinal chord. That could imply a single means of diagnosis, which the report says is unproven. ME also "ignores the psychological dimension". Did the shrinks put that one in? These are deep waters. The argument in Britain may be about which diagnosis proves disability.

The assorted practitioners define CFS, their preferred term, as characterised by at least half a year of severe physical and mental fatigue and "fatigability", made worse by minor exertion. Muscle pain, sleep disorder and mood disturbance are common. To this list, I suspect, they should add dizziness, bouts of confusion, shivers, susceptibility to infection, and other reported symptoms.

The report talks of "over-diagnosis of ME by some doctors, allied to frequent self-diagnosis by some patients". People who have often it complain more often about the difficulty of finding a sympathetic doctor,

who believes there is something wrong with them. If you know anyone who has ME or chronic fatigue you will know what I mean.

Yet the royal colleges' half-precise attempt to define CFS is a step forward. It establishes that the syndrome is a serious medical condition, requiring treatment. The question is, what treatment?

Doctors are as ignorant as the rest of us about much of the human experience

Alas, conventional medicine offers little. No one has found a CFS virus, although there is a fatigue that afflicts a tenth of patients infected with Epstein Barr Virus. No bug, no way of poisoning it. Sadly, "there is no systematic evidence supporting any drug regime" - no immunotherapy, no vitamin or dietary supplements. The authors are "unconvinced by the efficacy of magnesium or evening primrose oil."

It is asking too much of the higher witch doctors of

our age to consider some of the more unorthodox theories of causality? Are we sure that no damage is done to our systems by the consumption of pesticides in food? Additives? Concentrations of carbon dioxide? These other-worldly questions about CFS persist.

Puzzled and frustrated, the assembled doctors tell us that our multi-symptom affliction is probably associated with a collection of factors. Maybe a virus, possibly immune deficiencies, perhaps depression. Antidepressants may help with the latter. But do not run away with the fallacy that it is all in the mind. The report is adamant that CFS is neither purely physical, nor simply psychological. "Both need to be considered simultaneously," it says.

It suggests cognitive behaviour therapy, a shrinks' technique, to improve confidence and self-understanding. This does not mean "a shift from an exclusively physical view of CFS to an exclusively psychological model". The authors write: "This would be both impractical and inappropriate." Victims who have worked out their own therapies know that. Depression may be the effect, not the cause.

There is argument about

the value of exercise. The several books I have read on ME - sorry, CFS - tell people to rest. Exercise makes it worse. Now graded exercise is proposed, on the ground that muscles can atrophy if not used. American doctors are saying that, in the accounts I have seen. But it is unknown territory.

My scepticism about the narrow focus of the three-college report is based on observation of a number of victims, plus fairly wide anecdotal evidence. I am not a trained doctor; the 16 members of the working party that produced the British report are eminent in their various fields. Against that, we no longer accept medical opinion as final. Doctors know some things, but about much of human experience they are as ignorant as the rest of us.

The internet carries news of American trials of experimental techniques for treating CFS. Similar accounts come from Australia and elsewhere. Victims search these and other sources for the pill or chemical that will cure them. Meanwhile, they must take what comfort they can from the royal colleges' late-in-the-day recognition that they are ill.

*Chronic Fatigue Syndrome. RCP, 11 St Andrews Place, London NW1 4LE. £10

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PERSPECTIVES



Helen Proctor: 'Many of my London-based customers like the fact that all our creations are one-offs'

The David Sheppan Studio

Minding Your Own Business

Still California dreaming

Clive Fewins meets entrepreneur Helen Proctor who is US-bound in spite of severe setbacks

A serious road accident earlier this year meant that entrepreneur Helen Proctor was ready to give up US expansion plans for her bridal and special occasion clothing business. Proctor, her 17-year-old daughter Elizabeth, and accountant Rhona Repton were injured in a minibus accident near Los Angeles Airport while there to build up the business. Proctor said: "We made the front page of the Los Angeles Times - but not in the way we would have wished."

After treatment, the three returned home with Proctor, 42, feeling depressed and demotivated. She still suffers from short-term memory loss and her daughter has to return to Los Angeles this autumn for plastic surgery.

"At one stage I really felt I wanted to give up," said Proctor, a former psychology graduate. However, Centre Stage, the business which she started in Lincolnshire in 1991 - with no design training - continued.

Proctor, who had sold the food moulding company she had run for the previous three years to a large bakeware manufacturer for £110,000, explained: "I continued working for the new owners as a consultant for 12 months but it did not work out."

"There was a legal action that resulted in an out-of-court settlement and I ended up £160,000 better off."

She was able to invest the money, plus £77,000 profits from the sale of her home in Nottingham, in a large Georgian house in Tattershall, Lincolnshire. It had an old coach house at the rear which was ideal for the launch of Centre Stage. Proctor said: "I wanted to return to that part of Lincolnshire as it is where I come from. I also wanted my children to benefit from the selective education system which has been retained there."

In spite of holding a fashion show to launch the company, which cost £200 and brought in no immediate business, Proctor designed several outfits which were made up by an outworker and sold successfully.

In her first year she turned over £12,000 and broke even. The next year she doubled that figure, took on several more outworkers and made a 40 per cent net profit.

In her third year turnover rose to £70,000 with profits at the same level. So Proctor found herself in need of more business space. Experience gained working in Taiwan in the 1980s stood her in good stead.

She moved into a derelict former village school near her home, with

the aid of a £15,000 grant from the Rural Development Commission, and by remortgaging her house.

She raised the money needed for conversion with the aid of a £75,000 bank loan backed by the government's Small Firms Loan Guarantee scheme. A gift of £7,500 from the Taiwanese organisation for whom she had worked meant that

provide all the services a bride needs, including hats, jewellery, photography and florist services, and are also prepared to hire out evening wear."

Another reason for the healthy growth in year three was Proctor's arrangement with Virgin Holidays, by which some of her bridal wear designs were worn in "themed" wedding services chosen by couples who wanted to be married in exotic locations.

It led to her designs being used in weddings in Las Vegas, the Caribbean, and New England. One design was even used in an underwater wedding.

"I felt that with our individual designs, our creativity and our passion for something that is different we had an affinity with the approach of the Virgin Group," Proctor said.

The arrangement with Virgin worked well for two years, but last summer things went quiet. Proctor then heard that Virgin was planning a "one-stop shop" in London for brides organising exotic weddings.

"I was very shocked to hear they were planning to open a similar enterprise," said Proctor.

She describes the Virgin situation as "an impasse". In spite of this she has increased the number of full-time employees to five and

her turnover to £115,000 last year. Profits were down by almost a half because of costs associated with the move to the school house. However in the year just ended she is confident that turnover will have exceeded £200,000, with net profits in excess of 30 per cent.

One of the reasons for the continuing good figures was Proctor's decision to reverse her previous policy and create a small wholesale collection. Her creations can now be seen in a select number of boutiques in Hamburg, New York, Aberdeen, Bristol, Cheltenham and Norfolk.

Proctor is not entirely happy about this arrangement. She describes the wholesale market as a rat race that has far more to do with price than quality. However, it helps to boost profits as she sells gowns for between £800 and £700.

It was while trying to expand this side of her business in California that Proctor and her daughter and accountant, met with their accident.

Now Proctor is working with a new collaborator on a new retail idea - and is bracing herself for a return to California early next year.

Centre Stage Couture House, Sleaford Road, Tattershall, Lincolnshire LN4 4LR. Tel: 01526-922449.

"Many of my London-based customers like the fact that all our creations are one-offs and that they have something styled for them, rather than choosing to go to a particular couture house known for one particular approach," Proctor said.

"They also like the fact that we

Truth of the Matter
Prejudice dressed as reason

Very foolishly, I once invited the children in the top class of our village school to say whether they thought girls or boys were more important.

They split into groups, boys and girls separately, and went off to arm themselves for battle. When they came back, instead of sitting in their normal places, they spontaneously formed themselves into two lines, sitting on the edges of their tables and facing each other. Like opposing armies, and they put forward their champions.

The girls went first. (I hastily scribbled down their exact words.) Girls are more important, they said because they do the housework and the shopping, they have babies, they get up at night and look after them, they clean the loo and do the sewing, they are brainier and prettier, and they do the Christmas shopping.

The boys, who had done some quick thinking while the girls were speaking, produced their list.

Boys are more important than girls, because they do the work and earn money, they can work until they are 65 and women have to stop when they are 60, men was created first, Jesus was a man, they fight wars, they are responsible for all the main inventions, and they clean the sewers.

There was then some muttering among the boys before Charlie, a small boy with a loud voice, stepped forward. Charlie had been briefed by Richard, and Richard, at the age of 10, owned two beavers. He sometimes brought catalogues into school with pictures of handsome beavers and invited his friends to help him choose which one (in a syringe) should visit his beavers.

Charlie, although he did not fully understand what he was saying, delivered the knockout blow. "Us men are better than you girls," he said, "because you girls can only have one baby at a time and one man can serve lots of women". There were blank stares from the girls, puzzled but triumphant looks from the boys, and a muffled explosion from the head teacher, whose office was the other side of a thin partition.

Amanda said to me quietly afterwards: "My mum and dad aren't like that. They

share everything." But this happened not long ago, well after the passing of the equal opportunities legislation. It may have been my fault for allowing it to develop in so adversarial a way, but the two lists represented extraordinarily stereotyped ideas of men and women. The attitudes of children are formed by their parents and attitudes are often slower to change than law.

In the past 100 years, of course, institutions and law relating to men and women have changed out of all recognition. Women have slowly come back from the wilder shores of feminism as society has changed in their favour.

The Equal Opportunities Commission, which used to be obsessed with women's rights to the point of absurdity, can now afford to be more reasonable. The commission once issued a circular which said: "If you are pregnant, and are dismissed from your job, you may be able to claim for unfair dismissal. We have to show that your employer would have treated a man differently in similar circumstances."

Such an absurd circular is unlikely today. Few bastions of male supremacy remain, and one more fell recently when the Church in Wales voted in favour of ordaining women to the priesthood. So it has become the last Anglican church in the UK to remove the barriers against women's ministry.

Needless to say, it was the man who was most fiercely resistant, and where the vote was closest.

"In the beehive and the ant hill," wrote C.S. Lewis, "we see fully realised the two things that some of us most dread for our own species - the dominance of the female and the dominance of the collective." Fear and prejudice, skilfully dressed up as theological reasoning, have fuelled male opposition to women's priesthood.

Philip Crowe

Continued from Page 1

but many of them simply different flavours, formulations or quality levels of the same basic product, hundreds of which did not exist even five years ago.

Silly us. Back in the 1980s we did not realise how impoverished our kitchen cupboards were without barbecue-flavoured salt, tomato ketchup-flavoured crisps or packeted Greek salad - "just add lettuce".

Yet, at the same time, it has become dispiritingly difficult to find, in these temples of consumer choice, a loaf of bread with a decent crust and texture, an egg which truly tastes fresh or a chicken which tastes as if it had ever breathed fresh air.

The British eat less bread than any other European nation and no wonder. They gave birth, in Chorleywood, to the super-efficient process responsible for churning out sliced cotton wool. So denuded is this product of nutrients that they have to be added back in. Specialist bakers are following butchers into terminal decline as the supermarkets use low bread prices as a lure.

The long-term cost of intensive farming is only just becoming apparent. Few consumers are aware of the extent to which they are being exposed to health risks because of agriculture's dependence on drugs and chemicals. Perhaps the most obvious penalty faced by any keen cook is that, thanks to the widespread incidence of salmonella bacteria in chicken and eggs, making anything with a raw egg, mayonnaise for example, is regarded as a dangerous act. Steak tartare is presumably a dish to be resurrected by

food historians of the 22nd century.

Intensively reared chicken tastes of so little that I wonder what the manufacturers of flavourings use as their reference point for chicken. Today, only 3 per cent of Britain's broilers are genuinely free range (as opposed to nearly 30 per cent in France). How many British children have ever tasted a chicken bearing the slightest resemblance to the spirited birds found in their story books?

As raw ingredients become increasingly bland, there is the inevitable result: phalanxes of sauce (carbonara in a bottle), toppings (crispy - the food industry's most overworked adjective - onion bits ready to shake) and spreads designed to add ersatz spice to our plates and increasingly atrophied palates.

Britain, with its lack of defined national cuisine but myriad cultural influences, specialises in a most bizarre fusion cuisine. What other country in the world could effortlessly field 10 different ethnic flavours of bottled chicken sauce, or dishes such as Tikka Masala Kiev, "chicken breast chopped, shaped and filled with a creamy tikka masala sauce coated in crispy golden breadcrumbs" and Danish Bacon Pizza Bakes, "delicious bacon in crispy breadcrumbs, topped with Mozzarella and Cheddar cheese, juicy tomato sauce and fresh mushrooms"?

There is an argument that any sensitive consumer will begin to complain that food is increasingly tasteless simply because the tasting faculties start to wane with age, particularly after the age of about 60. However, the com-

plaints I hear come from my own generation of 40-somethings who can remember a less industrialised food supply and are angry about the contrast between the sort of food on sale in Britain and that obtainable on mainland Europe, where links with the land are real rather than an advertiser's cliché.

The French, who are inevitably dragged into this argument wherever it takes place, are becoming so concerned about creeping Americanisation of their gastronomic culture in the "McDo" age, that schoolchildren are subjected to a special Taste

Week in which they are encouraged to familiarise themselves with the sort of flavours and textures that only good quality food can provide.

In Britain, cooking is blithely ignored by the government's national curriculum for schools, as it is by so many parents - and culinary education is increasingly left to television. Food quality reaches its nutritionally compromised nadir when served en masse to the most deserving consumers of all: hospital patients and schoolchildren (only prisoners suffer more).

Nutritionists such as Pro-

fessor Philip James, of the Rowett Research Institute in Aberdeen, believe that it will be extremely difficult to save many young Britons from the consequences of eating too much fat, salt and sugar and not enough fibre, fruit and vegetables. (It is significant perhaps that nutrition labelling requirements in Britain are stricter for pet food than for human food.)

I wonder, too, whether the average schoolchild has any sense of seasonality now that it has been so thoroughly obscured by the retailers' need to offer all things at all times?

This is not to say that the British supermarkets, for all their power, are thoroughly bad. Led by Marks and Spencer, they have had an exceptionally beneficial influence on the quality of imported fruit and vegetables. J. Sainsbury is beginning to recognise that flavour can be more important than appearance in its selection of fresh produce.

Most of the big retailers are well-run companies staffed by keenly motivated people who genuinely believe they are doing a wonderful job (or at least a perceptibly more wonderful job than their main rivals). The problem is that they are operating from so deep inside the current system that it is difficult for them to see what could possibly be wrong with it.

When *Woman's Hour*, the devoted a BBC radio programme to the subject matter of Joanna Blythman's first-rate diatribe *The Food We Eat*, the woman from Safeway simply could not understand Blythman's criticisms of her company pride and joy, a new supermarket loaf.

In the US, those who really care about eating high-quality, flavoured food either have to eat out, grow their own, or live in a foodie ghetto. Berkeley, California was the prototype but there are signs that seriously upmarket food stores can flourish in any sophisticated US city today. In a substantial sector of American society there is recognition that it is not a sin to pay a bit extra for good food.

Gastronomically fastidious Britons either eat out with equal discrimination, develop their own network of small, individual suppliers or put pressure on their supermarket. The British supermarkets, ever conscious of the source of their profits, must be one of the most consumer-responsive business sectors in the world.

They are forever launching campaigns to assuage consumer fears (beef again) or promote new eating experiences to titillate fastidious food writers at what they tend to call the "edge" of their product range (virgin olive oil and sun-dried tomatoes are often cited here).

Perhaps one of the reasons why it has been easier to uphold wine quality than food is that wine is so much less perishable. Modern wine may be deliberately made to be drunk younger than of old, but that is a recognition of commercial reality. Wine has its own resources for fighting off bacterial infection, matched only by honey as a self-preserving package.

Modern food, meanwhile, is a monument to the art of preservation. Thanks to the efforts of food technologists, fresh foods stay fresh longer and for this we must be grateful. So artful is modern



food preservation that many Britons now go food shopping once a month. While many other cultures such as Chinese and southern European regard daily selection of fresh produce as a treasure, self-defining ritual, the essential shrines of a modern British kitchen have become microwave and freezer rather than cooker and larder.

One important distinction between food and wine products is the identifiability of producers. Which of us can personally approach the tomato grower for his tasteless pap, much less the farmer responsible for such meat as there is in a sausage roll? But most wines are traceable right back to the individual farmer responsible, or at the very least, the bottler. Pride, responsibility and reputations monitored by vigilant wine critics help

to maintain quality.

Not that everything is perfect in the modern wine industry. Just as in own-label foods, particularly the bottom tier "budget ranges", the quality of own-label wines is under constant threat as the big retailers use low prices to win new customers. They tend to over-treat their wines, fearing anything as natural as sediment or tartrate crystals. An improved understanding of technology may have eliminated genuine wine-making faults, but it is beginning to make wine taste more uniform, arguably at all price levels. Wine lovers should take a careful look at the food industry and ensure that those who make truly distinctive wines are rewarded.

Perhaps it is crazy to draw any parallels between the worlds of food and wine,

however closely related they may be, at the moment of consumption. Wine is, after all, a non-essential, and the wine industry is doubtless at a very different stage of evolution than the food industry. There must, after all, be something remarkable about producers who resolutely continue to sell virtually all their wares in a heavy, all-too-breakable package, stoppered with a piece of bark.

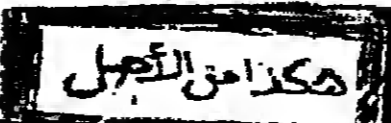
Inconvenient packaging is probably the only criticism never to have been levelled at that totum of fast food culture, the noodle snack-pot. A generation of impoverished Britons, discarded by the supermarkets and increasingly dependent on the corner store, and in some cases shared cooking facilities, has been exposed to these marvels of the food technologists' art for which all that is needed is a supply of hot water and a plastic fork.

Banks of these lipid packages differentiated as Sausage 'n' Tomato, Sweet 'n' Sour, and Nice 'n' Spicy can be found in every British supermarket and, especially, "convenience store".

They are so embedded in US culture that even the new "healthy" supermarkets, the ones with more shelf space for vitamin supplements than bread, stock dozens of noodle snack-pot lines, "low-sodium" or "fiber", naturally.

The French have yet to succumb to the noodle, in a plastic pot. Indeed, my tomato-growing neighbour, Martine, could not even grasp the concept.

Perhaps part of the problem for the world's greatest vine-growing nation is that it is, so hard to imagine, a wine for such a food, although one that has been heavily fined, filtered and de-alcoholised could, certainly match a noodle snack-pot for lack of flavour and excess of industrialisation.



PERSPECTIVES

Vichy's last stand: a prince's story

The Hohenzollerns have written more pages in Europe's history books than most. Giles MacDonogh meets one of the family

The prince was a little taken aback to find the door to his castle guarded by a squad of 120 SS-men armed with machine guns. He nonetheless managed to push his way past and make his way to his quarters. They soon tracked him down. "This is my room," he shouted at them, but it did him no good. He was told to get out immediately. "The castle has been requisitioned."

Prince Friedrich Wilhelm of Hohenzollern is a small, dapper man. "We can speak English," he told me. "I have land in Canada." I went to see him in his office in Schloss Sigmaringen. It was hidden away from the public rooms in a wing of its own.

He remembers September 9 1944 very clearly. He was then a forestry student, the last choice open to him as Hitler had barred the German princes from the army, fearing a repetition of the massive demonstration of loyalty which had greeted the coffin of Prince Wilhelm, the Kaiser's eldest grandson, who was killed in the French campaign in 1940.

Wilhelm was his distant cousin, one of the Franconian Hohenzollerns who went off to Brandenburg in the 15th century, became Calvinists and, much later, German emperors. He met the last kaiser once, as a boy of 10. The old man was then living in exile in Holland. Friedrich Wilhelm antedicated the often-told story that the Kaiser used to turn his rings in on his fingers so that he was able to inflict considerable pain when he shook your hand; apparently not even boys of 10 were spared.

When the SS threw him out of his home, Friedrich Wilhelm moved into the forester's house, but the Gestapo were waiting for him the next day: "Geheime Staats Polizei! We have some questions to ask you. You had better pack a change of clothes."

After a day spent hanging around in Sigmaringen, he was taken to Schloss Wilflingen, which had belonged to a branch of the Stauffenberg family, distant relations of Claus, the man who placed the bomb in the "wolf's lair" on July 20. The prince, or Erbprinz, as he then was, was placed under house arrest.

The prince told me that he owed his incarceration to a number of factors: the King of Romania had just deposed his chief minister and joined the Allied camp. The king was his cousin. His mother had made one or two incautious remarks at a wedding in Fürstenberg on July 20. Worse still, his first cousin, the Prince of Meissen, eldest son of the former King of Saxony, had made copies of his free and frank correspondence. Hitler and his ministers had not been painted in a flattering light.

The Gestapo Obersturmbannführer leading the investigation was grim. He told him that he would have to go to a

concentration camp, and would face trial before the notorious People's Court in Berlin. A month later, Friedrich Wilhelm was saved by the American bombing of Stuttgart: a direct hit wiped out Gestapo headquarters, not only killing the Obersturmbannführer, but destroying all the papers relevant to the case.

Meanwhile, Sigmaringen had suffered the oddest fate imaginable: the whole small town and the castle of the Roman Catholic branch of the Hohenzollerns had become the last incarnation of Vichy France. A few days before Friedrich Wilhelm had been thrown out of the Schloss, the place had been requisitioned on orders issued by Ribbentrop and the German Foreign Office. Possibly on the 9th, possibly as late as the 13th, the Vichy president and prime minister, Marshal Pétain and Pierre Laval, arrived to take up residence in the Schloss.

Neither Pétain nor Laval had co-operated with Berlin since August, when

Pétain took over the best apartment, Laval slept in lowlier quarters. The soldiers camped in the public rooms

they had been forcibly taken from Paris to Belfort and then into Germany. Both they and their regime were officially "sleeping". The Vichy government nonetheless came in force to Sigmaringen. Two different estimates put their numbers between 38 and 80, not including a substantial number of armed militia authorities. Pétain took over the best apartment, Laval slept in lowlier quarters. The soldiers camped in the public rooms.

As Sigmaringen was now the seat of the only French regime recognised in Berlin, French flags were hung from the pinnacles of the castle and public buildings and the few remaining embassies which still sought accreditation with Vichy found offices in the small town, naturally Germany, but also fascist Italy and Japan.

Sigmaringen also became a hotbed of intrigue as different French fascist groups struggled for power in the shadow of the lifeless Vichy regime. A French newspaper called *Lo France* began publication, and continued until April 1945.

Pétain and his wife took up their ample spare time with reading and attended mass in the Hohenzollern pews in the *Schlosskapelle*. Laval suffered from homesickness. Later he

moved to Schloss Wilflingen and helped the local farmers with their work. His advocacy of dandelion leaf salads found little favour among the hard-headed Württembergers. By this time Friedrich Wilhelm and the rest of the Hohenzollerns had been released from Wilflingen and set off for another family property on the French border. Here he thought he would be safe from the Gestapo.

Frustrated by the inactivity of his leaders in Sigmaringen, Jacques Doriot decided to set up a liberation committee to fight for a "Europe free from Jews and communists". On February 22 this disbanded when the Allies strafed Doriot's car.

Vichy Sigmaringen slept on for another two months. Laval and Pétain made their hurried departures on April 20 and 21 as the French army closed in on the town, ending one of the strangest episodes in modern French political history.

Soon after the end of the war, Friedrich Wilhelm met another member of the "Franconian branch" of his family: Frederick the Great. Göring had had "Old Fritz" removed from a vault under the garrison church in Potsdam and sent off across Germany to prevent his corpse from falling into the hands of the Red Army.

Once the Soviet Zone was established in the east, a site in the west had to be found to re-bury the coffin. That place was Burg Hohenzollern, the original seat of the family, not far from Sigmaringen in Württemberg.

No sooner did the coffin arrive than it fell apart and the King's body fell out. Friedrich Wilhelm now boasts that he is the last man to have seen Old Fritz.

An American soldier had pilfered his Black Eagle order, but otherwise the body was remarkably well-preserved. The head looked like the famous death mask. Only the mouth had fallen in a bit, he told me.

After my interview with Prince Friedrich Wilhelm, I joined a party visiting the state rooms. Most of them date from after the fire of 1893, which allowed the architect to introduce a few Art Nouveau ideas to the castle. The Sigmaringen Hohenzollerns are chiefly interesting for their 19th century marriages: one became Queen of Portugal, another King of Romania, a third narrowly missed being King of Spain and inadvertently sparked the Franco-Prussian War in the process.

I went back to my hotel for lunch. As luck would have it, I found myself sitting next to the Duke and Duchess of Mecklenburg-Strelitz. She was a Sigmaringen Hohenzollern who grew up at the Schloss. "Did you see the list?" she asked me. I admitted that I had. "I locked Pétain in it for three hours one day!"

She seemed justly proud of this act of resistance. True, for once the boot was on the other foot.



Schloss Sigmaringen and, inset, Prince Friedrich Wilhelm of Hohenzollern - the last man to have seen Old Fritz

Pulling out - the final chapter?

The US is leaving Panama - and author John Le Carré is moving in. Stephen Fidler reports

Panama has an identity like no other place in Latin America, yet hardly an identity at all. It is the scene of intrigue and conspiracy, a meeting point for arms dealers, money launderers and drug traffickers, a crossroads for smugglers and intelligence gatherers of all kinds. It is the only place in Latin America, I was told, where people boast of being CIA informers.

Even its geography is confusing. The Schaped isthmus that connects central to south America, Panama is further east than Florida and its famous canal runs north-west from the Pacific to the Atlantic.

The US looms large over Panama. It has occupied Panamanian territory for more than 90 years to defend the canal it built. But the armed forces are withdrawing. Unless the US and Panamanian governments agree otherwise in the meantime, there will not be a single US soldier serving in Panama by 2000.

As the US departs, large tracts of Panamanian territory, worth several billion dollars, are being sold to foreign bidders. Meanwhile, right-wing politicians in the US, led by Senator Jesse Helms, are urging the military to stay put, suggesting that Panamanians are not up to running a strategic US asset.

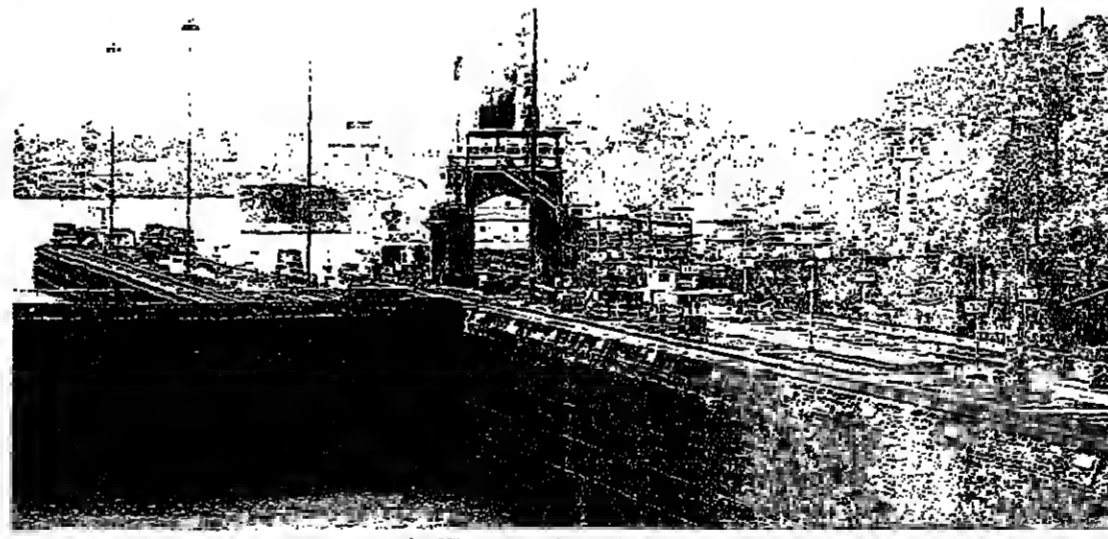
If this sounds like raw material for a John Le Carré work, well, it

is. Le Carré's 16th novel, *The Tailor of Panama*, comes out this month. It centres on a British intelligence plot to stop the US withdrawal; its main protagonist is a London tailor with something to hide and who clothes Panama's political elite.

Le Carré's Panama is instantly recognisable as the real thing, or at least, hits it. The Le Carré country is steamy, slightly dangerous, not entirely virtuous. "In Panama," he tells us, "three-year money is more than just respectable, it's antique." Politicians are "recycled" rather than disgraced. "Gossip is what Panama has instead of culture."

Indeed, much Panamanian conversation is more lurid than the content of Le Carré's book. Most of Panama's small ruling elite is related and has gone to school with those to whom they are not related. They know, or claim to know, everyone else's business intimately. It has been a country run according to their own rules, except for the all-important proviso of not upsetting the US.

"The rich did not use the courts, but settled things their own way. The courts were for the poor," one Panamanian lawyer



The Suez canal is still a crucial waterway for US trade and security

told me last month. Of course, there are the nouveau riche - but given that Panama is next door to Colombia, the world's cocaine factory, the source of much of their wealth is less of a mystery than a Le Carré plot.

This intimacy and inbreeding among the elite mean the concept of conflict of interest - the idea

that business and politics should be separate - has almost no resonance. For journalists, at least those interested in reporting, it is a prolific source of copy.

Seven years after the US invaded the country to oust dictator Manuel Noriega, who was trafficking drugs into the US, the elected president was this year

forced to admit he unknowingly received election campaign finance from drug traffickers. Scandals blow up regularly about alleged corruption in government contracts, concessions and privatisations.

"You just put your hand in the water and come up with a fish," one journalist working in Pan-

ama told me as we sat down to dinner. Turning round, we saw a cabinet minister in conversation with a reputed money launderer.

Le Carré preceded me on my latest visit to Panama. He seems to have been generous with his epigrams, some of which were reported to me secondhand at meetings with people he had met. In a description I could not find in the book, he is said to have called Panama a "Casablanca without the heroes".

Others have been more positive. For example, US President Theodore Roosevelt. "Panama was a great sight," he told his son. For Roosevelt, Panama - or rather its canal - was the finest expression of America's manifest destiny.

In building the waterway, the US finished what the French engineers of the Suez canal could not. The canal symbolised the dawn of the American century and its construction the pinnacle of the steam age.

Now the US is pulling out. "Predators from every corner of the globe are descending upon little Panama," says the fictional Luxmore, one of Le Carré's British spymasters.

According to Luxmore, Arabs, Japanese, Chinese, and Latin American drug consortiums could all be ready to swoop. It could be worse even than that: the Germans or, God forbid, the "wily French".

Le Carré correctly points to the strategic importance of the canal, still crucial for US trade and, as the quickest way for US warships to move from one coast to another, for security. In the book, British undercover work succeeds in ensuring the US military stays in Panama.

The book's conceit reflects a structural problem for British espionage writers after the cold war. It centres on a Britain that continues to "punch above its weight" in international affairs, a Britain of global significance, but above all of a Britain still sorely needed - though Washington may not know it - by the US. In Luxmore's view: "The Americans have done it again. God yes. A stunning demonstration of their political immaturity. Of their craven retreat from international responsibility. Of the pervasive power of misplaced liberal sensitivities in foreign affairs."

Back in real life, two London-based diplomats are based in the UK embassy in Panama City. US ambassador William Hughes, meanwhile, leads a staff of almost 400. If the US military does stay in Panama, Britain will not have had much to do with it.

The Nature of Things / Clive Cookson

Insurers skip the genetic tests

Insurance is a way of preparing for uncertainty, in which people pool their individual risks and pay premiums based on a group average. If the uncertainty disappears, the whole basis of insurance is destroyed.

So the rapid advance of genetic research has aroused concern that life insurance will be undermined by the discovery of the genes determining human health and sickness. People whose genetic profile predicts a long, healthy life will not insure against an early death, unless they are offered a large discount on the premiums - in which case, the insurance companies will have to charge prohibitively high premiums for

prospects. Or so the argument goes. However, there was reassurance for the insurance industry last week when scientists and actuaries - the experts who assess risks and premiums - held a professional meeting at the Royal Society in London to discuss the financial implications of genetic testing.

The participants agreed that there would be no fundamental threat to life insurance from the foreseeable future, though a genetic test

reacted complacently and insensitively to public concern about the potential misuse of genetic information. More alarmist predictions are based on misunderstandings both of the science and of the way insurers calculate risks.

Many people have an exaggerated idea of the predictive power of genetic information. There are, it is true, many rare diseases that are caused by defects in a single gene and are inherited in a

gene, then you are certain to develop the disease - usually during childhood but occasionally later in life, as with Huntington's Chorea, the degenerative brain disorder. However, such clear-cut genetic diseases are responsible for only a very small proportion of all deaths - those affected already find it hard to obtain life insurance because of their family histories.

The main argument is about the predictability of

fering and mortality in western society: cancer, heart disease and mental illness. These are generally caused by a number of different "susceptibility" genes acting together with environmental factors, such as diet.

Scientists say a typical genetic profile might reveal that someone was twice as likely as average to die prematurely from heart disease, and half as likely to suffer from Alzheimer's. For the vast majority of people, the

testing, 10 or 20 years from now, is likely to vary by no more than a factor of three - and actuaries say that life insurance companies are happy to accept this level of variation within their existing policies.

Life insurance companies in the UK normally rate applicants only according to their age, sex and smoking habits. Virtually all 44-year-old male non-smokers would pay identical premiums for the same sort of policy from

ferent to household and motor insurance, for which companies break down risks into a vast number of different categories apart from the age and type of house or car, and where he or she lives. Only about one life insurance applicant in 20 is asked to pay non-standard rates or refused cover.

For example, underwriters today do not normally ask for straightforward blood pressure and cholesterol tes-

fold variation in mortality risk from heart disease.

They are therefore unlikely to bother about genetic tests, except for large policies - say, over £500,000. Then they are likely to insist on seeing the results of any tests already performed, though the companies have pledged not to require genetic tests for insurance purposes.

"Self-selection" - the tendency of people with low-risk genetic profiles not to bother with life insurance while those at high risk do more - may have some impact on the industry, on the other hand, some companies will benefit from the use of genetic testing, when a

FASHION



Long, lean and light for a classic look

For a lasting winter coat, take the simple, high quality option, says Karen Wheeler

- Top, left to right:
 - Full-length coat with beaver collar in wool/cashmere, £798, by Max/Mara, 32 Sloane Street, London SW1 (inquiries: 0171-287 3434). A luxurious coat in soft fabric with striking collar.
 - Navy Paddock single-breasted coat in lambswool/Angora/cashmere mix, £299, by Daks from Simpson Piccadilly, London W1 (inquiries: 0200-281188). Well-cut and simple this looks good over short lengths and is useful for

dashing about town.

- Black maxi-coat with silver buckle belt in angora/wool/cashmere, £1,299, by Cerruti Arte. Available from Cerruti 1881, 106 New Bond Street, London W1 and Harrods, Knightsbridge, London SW1 (inquiries: 0171-495 5880).
- From Cerruti's new couture range, this coat is fashionably minimal.
- Brown dressing-gown style coat in wool/Alpaca, £1,078, by Maska from Harvey Nichols,

Knightsbridge, London SW1 (inquiries: 0171-235 5000). The tactile texture of the fabric makes this wraparound coat by Italian label Maska appealing.

- Inserted, below
 - Navy trench style maxi coat in wool/Angora, £448, by Harrods own label, Harrods, Knightsbridge, London SW1 (inquiries: 0171-730 1234). The trenchcoat is the style of the season and this is a chic, value-for-money version with a half-belt.

Drawings: Kim Dabziel

Few people want a winter coat that is an extreme fashion statement. A coat, after all, is a major wardrobe investment and traditionally it is expected to perform for years rather than seasons.

But the coat is subject to the whims of fashion as skirt lengths or trouser widths. So while last year's model was a little camel car coat that sat neatly on the knee, this year favours the striking maxi-length coat inspired by the 1970s.

Despite such swings of the fashion barometer, it is easy to justify a serious coat purchase this winter with a wide range of styles to choose from. After several seasons of being left out in the cold by the popularity of the Prada-esque industrial nylon raincoat or sporty ski parka the full-length coat has made a comeback.

Gabriele Strehle, designer for the Strenesse label, says this is definitely the season for coats. Strenesse has recently opened a boutique on Sloane Street, London, purveying luxury clothes of the less-is-more school of design. Less is certainly more with the shrug-on coat, in a medium-weight fabric such as cashmere, which could be worn indoors instead of a light jacket.

While long coats can be a boon in cold weather, their bulk often makes them impractical to wear in all circumstances and conditions, despite their striking look and luxurious feel. To make them more appealing, however, designers are cutting the shoulders narrow and

without being too extreme, labels such as Cerruti, Calvin Klein, Jil Sander and Strenesse are the names to note. These make the right fashion references without being too extreme, which is important when you consider the price of following fashion - few people want to invest large sums in a coat only to find that it looks dated the following season.

Changes to hemlines, the use of new fabrics or colours, changes in size or positioning of the lapels and buttons can rapidly date a coat.

There is a style, however, which outshines all others year after year. It is the long, double-breasted raglan sleeved, camel hair coat by Max/Mara.

According to Luigi Maromotti, chief executive of Max/Mara, it is truly a classic coat - a timeless wardrobe basic which remains in the collection every winter, proving that certain items never go out of fashion.

Strehle also defines the classic coat as double-breasted with the air of a military coat without the details. It is soft, not bulky and has no shoulder pads. The most important thing is the fabric.

Strehle designs a coat by observing the trends then stripping away the detail. At Strenesse, a long wool and cashmere coat can cost up to £1,500.

A coat that picks up the season's shape but avoids exaggeration is likely to outlive the more fashionable, detailed designs available. Such an approach also

quite the thing right now, but if you are looking for longevity opt for neutrals.

Wardrobe consultant Amanda Platt advises clients to look for styles that take their cue from menswear. Platt owns what she says is a perfect example of a classic coat - a long, one-button Armani in mocha brown. It is cut like a man's coat and is excellent quality, she says. "I don't think I will ever tire

of wearing it."

Traditional English labels such as Aquascutum and Daks Simpson are also excellent sources of classic coats. They have managed to cast aside their once-staid image and now offer reasonably priced versions of designer looks.

Although the long coat is fashionable at the moment, simple short coats are still

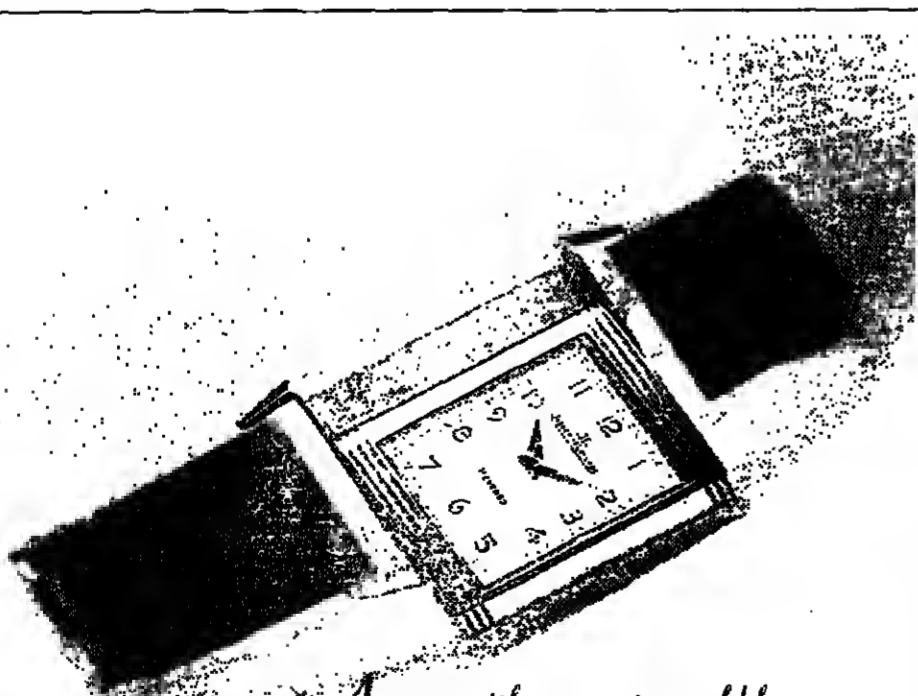
an option. If you are looking for a simple cover-up between home and the office then a short, sporty style is probably right for you.

Good buys include Aquascutum's short black boucle coat (£495); Cerruti's single-breasted camel car coat (£499); Jil Sander's six-button short coat in chocolate brown (£1,179) or blonde wrap coat (£1,139); and a grey, knee-length, eight-button, double-breasted coat by Moschino Cheap and Chic.

Among the best maxi-coats are Fenwick's military coat (£178). This is available in brown, navy or black and although it has little hanger appeal it looks very smart on.

The same is true of Nicole Farhi's long grey flannel coat. Her coat with fake fur collar (£499) is a true classic. Calvin Klein's wool trench coat with tie (£280) is a style that sums up this season, while Iceberg's clean, uncluttered maxi-coat (£540) is also an excellent buy.

The coats all look up-to-the-minute but will also define the season's fashion. They are expensive, but when buying a coat cheapness is a false economy - quality, above all else, is the cornerstone of a good coat.



Anyone with any taste would be glad to see the back of it.

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HOW TO SPEND IT

Beautiful objects - but family is first

The beginning of an occasional series charting tastes, lifestyles and spending patterns around the world. Avril Groom talks to Edward and Christina Asprey

Edward Asprey is one of the eighth generation of his family to be involved with the luxury goods company that bears his name. It was bought last year by Prince Jefri Bolkiah, brother of the Sultan of Brunei, through the Aspreys retain a 10 per cent holding. Edward had his own silver manufacturing company which was taken over by Asprey when he returned to the family company in 1980. He oversaw expansion in the Middle East, started the Gun Room in 1991 and is the director in charge of the company's sporting sponsorships - three-day eventing, polo, the Ferrari Formula One team. Christina, his second wife, who worked in the airline and travel industries before her marriage, is Irish but was brought up in the Middle East, where Edward met her family. They live in Berkshire and have two daughters, Louise, 13 and Julia, 10. Edward also has two grown-up children from his previous marriage.

Edward Asprey: "Although I am surrounded by beautiful objects at Asprey, I never become blasé about them. I am always filled with wonder at our stock and it would be time to give up if I weren't. Having access to such things does not necessarily make one more acquisitive. Of course we have Asprey objects in our house but the place is not specifically designed to complement them. I like to think it has evolved as a reflection of our personalities. "When we moved to the country three years ago. We had already done up our new house in London and knew that our ideas accorded very well. Although we discussed the decoration in our new home, Christina was in charge. I trust her excellent taste. When we moved we also decided we were not going to give up our London

social life. "We are not great theatre or cinema goers (I travel so much I seem to see all the new films in the air) but we go to cocktail parties and dinners - I am a liveryman of both the Silversmiths' and Gunmakers' companies. It is hard to separate business and social life - clients become friends and vice versa. Before we moved we discussed keeping a flat in town but it would be cheaper to stay in the best hotel three times a week than run another establishment. As it is, we stay up about once a year! "We moved because our weekends were increasingly spent in the country. I have always been a keen shot - I run a syndicate with six friends and am as interested in developing aspects of this, in co-operation with the landowner, as I am in the shooting itself. It naturally involves some entertaining. Christina is a brilliant cook



and, though she has help at serving dinner parties, she won't let anyone else in her kitchen. "Shooting is reciprocal - I occasionally go stalking or grouse shooting, and shooting in Europe, including Hungary and Czechoslovakia. I am very interested in developing bird shooting in southern Africa - on a purely private, not business, basis. The estates there do not yet have the infrastructure of the safari industry but that area needs all the help it can get so I am keen to encourage the farmers to provide facilities and for people to visit. This year we and 11 other couples hired the



Hard to separate business and social life: Edward and Christina Asprey in Asprey's Bond Street store, London

Rovos Rail Pride of Africa train to act as a rolling hotel and go the long distances between estates. It was marvellous - we would like to go back in two or three years taking the children with us. "Otherwise, family holidays are very relaxed, bucket-and-spade affairs. We go abroad in the summer.

'I like to think our house has evolved to reflect our personalities'

usually in Cape Cod which is a great destination and just happens to be where Christina's family is living. We don't ski or head for the sun in the winter. I'm quite happy here. The whole thing about Britain is the changing seasons, which I love. I wouldn't live anywhere else. "One advantage of starting the Gun Room is that I can 'test-drive' the guns and have a say in the clothing and other equipment we sell. I think most real shooters want stuff that is practical and functional. Fashion and labels come much further down the list. The same applies with me to clothes in general. I get suits from

Gieves & Hawkes in Savile Row - they know me and I'm a standard shape so I can buy off the peg. I normally buy casual clothes in America, where quality and style is better. "Practicality comes first for me with most things. I enjoy sailing but I wouldn't want the hassle of a yacht. Now that we're sponsoring Ferrari, it was suggested I should have one but I said 'not unless they do one with an 18in clearance and four-wheel drive'. They were not amused."

Christina Asprey: "My job is running the house and the family and it keeps me very busy. Edward travels a lot and, especially when he is in the Middle East, there are often delays and he cannot always come back when he expects to. I need to be here to keep family life organised. Much of it revolves round the children who are at day school. When he is in the country we all want to be together as much as possible so we value family weekends.

"I go shooting with Edward to load for him but I am strictly fair weather. Sometimes I have lunch with the other wives and just go out for the last couple of drives. Sometimes the children come too - one has a dog which she is training and they are learning to

shoot clay pigeons. Now we live in the country a lot of London friends come to us so entertaining is important but usually informal.

"Of course we have Asprey tableware but the house doesn't revolve around Asprey and I would not want a professional interior designer working on it. Before we moved in, our children were already at school locally so I used to come to the house for the day to oversee the builders and amuse myself by doing self-taught paint effects on the walls.

"I enjoyed finding appropriate curtains from places like Sanderson and Designers' Guild and I am pleased with the effect but I wouldn't want to make a

career of it.

"I have never lived in the countryside before. The house had been empty for some years and was terribly overgrown. There wasn't even a drive and I remember wearing an evening dress and wellies to get to the car to go out for dinner. Now the garden is a happy and, I hope, attractive place but it has just evolved. I wouldn't want it to look 'designed'. Much of it is paddock for our new project - a pooy for the girls which is in livery over the winter but will come to us in the spring. We hope to have her permanently - the girls are very keen but we will have to learn by experience.

"Because my lifestyle is home-orientated there is no

great call for designer clothes. Asprey's link with Tomasz Starzewski means that is where I go for occasion outfits. I also go to Celia Loe in South Molton Street, which specialises in small sizes. But I do not see myself as a designer person and prefer to rely on my own taste. In the country I am as happy in jeans and a sweater although I prefer them to be a proper fit and good quality. I like The Gap for both myself and the children.

"Every woman enjoys jewellery and I am very lucky - Edward buys me presents of Asprey's jewellery on special occasions. But I am not a collector in my own right. The only thing I collect is Irish silver cutlery, something I always did and which

neatly combines my background with one of Edward's interests. A love of silver must be in his blood.

"I don't go abroad so often [as Edward], even for glamorous Grand Prix events, though I wouldn't mind a bit of sunshine around the end of January. When we are in London, a neighbour's teenage children babysit for us. I don't see the need for a nanny now the children are older. When we went to South Africa my mother came over to look after them - spoil them rotten and I don't think they missed us at all. But I can't be away too often. As far as I'm concerned, the children come first. This weekend we will all be together, planting bulbs."

Rover seat at auction

Auctions used to be the exclusive province of those interested in traditional antique pieces of serious provenance with price-tags to match. These days, much more adventurous cast-offs are finding their way to the saleroom. Today, for instance, if you are quick, there is still

time to put in your bid at Bonhams in London for a rare Rover Seat, by Ron Arad, dating from 1964. Arad, modernists will not need reminding, is the designer who spent years turning industrial parts into exhilarating domestic furniture. The red Rover double seat is of particular interest as only three or four were

ever made. The red leather seat sits on a black painted tubular steel frame and look for all the world like airline or motor-car seats. The pair is estimated to fetch between £1,500 and £2,000.

A quintessential Danny Lane glass table may fetch as much as £5,000. Lane is a cult name from the 1990s and the table which is up for auction is only about two years old. It is formed of a free-form cut-glass top resting on a polished, blackened steel 'barbed wire' support.

There are a number of pieces from the great Italian designers of the last 30 years: the Leonardo Table by the Castiglioni brothers for Zanotta (designed in 1968) is estimated to go for between £1,000 and £1,400; there are lots of Castiglioni lamps, as well as lamps from Gae Aulenti and Castelli's "Vertebra" chair.

Fans of the great modern classics will like the Marcel Breuer Wassily chair "after the original design in 1925", estimated at between £180

and £240; Corbusier's Petit Comfort Armchairs; Mies van der Rohe's Chaise Longue; Alvar Aalto's laminated birch pieces; Bruno Mathsson's laminated beech chairs and lots more.

Although it is too late to send for a catalogue it is not too late to bid if you know what you want. London readers might like to go along early and see the beautiful display of furniture.

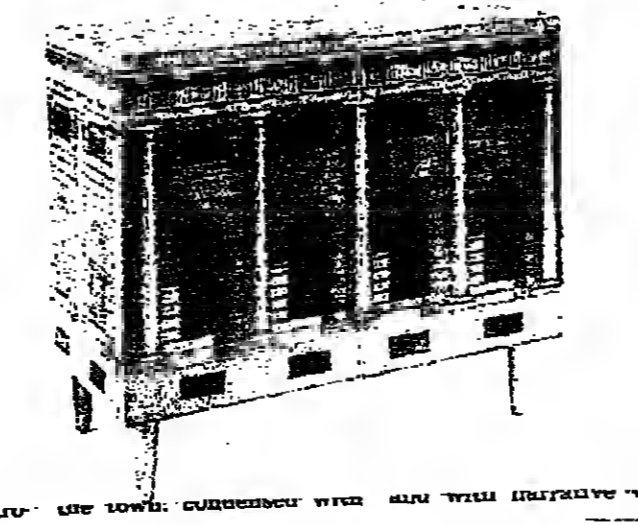
The auction starts at 2pm at Bonhams, Montpelier Street, Knightsbridge, London SW7 1RH. Viewing starts at 8.30am and goes on until 10.30am. Telephone bids can be placed by ringing 0171-393 3900 and asking to speak to Alex Payne. Anyone who is certain that they want a piece can bid by fax on 0171-393 3903.

In addition there is a live link - 0336-41251 - to the auction which enables the bidder to listen to the auctioneer as the lots are being sold.

Lucia van der Post

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HOW TO SPEND IT



After the kill: a day out with a stalker in the country will bring you closer to the land, and old customs and long-forgotten tales may be revealed

Mark Cator/Reportage

Walking, crawling and deer stalking

Lucia van der Post on the origins of a vigorous country pursuit that is becoming more accessible while still serving the land

To the first-time stalker, to those who have never pulled a trigger before, who have never - not to beat about the bush - killed anything before, there is something shaking about killing a stag. The end, when it comes, seems shockingly sudden. One moment the fine fallow

deer is gazing out over the glen, its antlers held high. The next it seems to wobble bemusedly for a few seconds and then it falls over. If you or the stalker has shot well, with a clean shot right through the heart, then the deer will look almost bizarrely unmarked. Within minutes the eyes begin to milk over, the stalker has

his knife out and the gralloching begins. Gruesome as gralloching sounds and seems, this immediate removal of the intestines and other organs which could contaminate the meat, is an essential part of the ritual.

For deer stalking, like all sports, from polo to cricket, from bull-fighting to boules, is more than just a sport; its rituals link past and present and are tied up with the culture, the history and the geography of the land. It is not for nothing that stalking is, on the whole, free from the attentions of the animal welfare or environmental lobby - almost everybody recognises that deer need to be culled. There are simply far more deer in Scotland than the land can sustain and too many to allow the deer to thrive.

The deer's natural predator, the wolf, once helped keep the numbers down but now that it has been shot out and much of the native woodland destroyed, deer are responsible for much environmental damage. Humane killing, most land experts agree, is the only answer.

One of the ghillies we crawled behind last year on a Scottish estate said: "Being anti-field sports is very urban - you don't get it up here in the Highlands where everybody's uncle, father or son either owns land, or licenses guns, rents out Land-Rovers, ghillies on the rivers or cooks in shooting lodges."

"Up here we see the hinds starving in the winter, we see the bands of hungry deer come down from the hills and start marauding through farms and gardens in search of food, nipping the newly planted trees and plants as they go."

But the nature of stalking is changing. Like all such sports, it is becoming more accessible. Traditionally, those who owned the great estates kept the hills and the rivers for their own and



Most estates have a spare gun or you can often borrow the stalker's

their friends' enjoyment. A whole party would take a shooting lodge and would fish or stalk almost every day. Sometimes they might let out the sporting rights on an annual basis for several years to regular tenants.

Nowadays most estates need to generate some income and so let sporting rights out for a week at a time. There is even a trend, particularly among visitors from overseas, to prefer between three and five-day visits, with accommodation, transport, licences and sport all arranged by the sporting agency.

More and more of those able to afford such sports are outsiders who have come to country sports late in life. They can simply ring a sporting agency, say Holland & Holland, and buy anything from a single day's stalking to a long weekend or even a month.

Sharing a lodge with friends makes a Highland holiday seem almost cheap - a lodge for four couples for a week would cost about £700. The right to stalk one stag a day (a stag for each man in

the group with two to spare) would cost £1,800. A cook would cost about £200 a week. Exclusive of food and wine, the week would cost £2,700 (about £675 per couple) and for this you would be alone in thousands of acres, with the services of a stalker and a ghillie, and able to fish as much as you pleased.

Then there is the equipment. Some stalkers take it very seriously, wearing beautiful tweed suits and hats and expensive walking boots. The main thing to remember, however, is that stalking can be very strenuous.

Clothing should be comfortable and layered for taking on and off easily in case you get too hot. Waterproof tops should not make a noise (this effectively rules out waxed jackets unless they are very old and worn-in, but then they tend to shine and catch the light). Camouflage jackets blend better with the heather and the bracken but the pulkas thing to wear is a

tweed jacket. It should have an "action back" to allow for movement and should have bellows pockets for storing gloves, Mars Bars, hip flasks and the like. About £400 should buy a good one. Tweed breeks (about £175) are comfortable and look right.

The ground is usually uneven and often holds pockets of water so a good quality walking boot that fits and supports the ankles is best. Holland & Holland, for instance, make the Lancaster boot (£285) which is leather with a medway sole and waterproof Welttschoen construction. Alternatively, Chameau's *brodequin* boot is comfortable, warm, light and waterproof - it has rubber on the outside and good quality leather on the inside and costs about £195 from James Purdey & Sons, 57 South Audley Street, London W1 (tel: 0171-498 1801).

For really cold weather there are polar fleece and lambskin gloves which are water resistant, warm and do not take up too much space in the pocket (£85). For the midge season a hat with

netting (about £15 from any sporting equipment shop in the Highlands) is essential - it is far from glamorous but by the time one has been on a midge-ridden hill for more than five minutes, I can assure you, you will not care.

When it comes to serious equipment - rifles, telescopic sights, binoculars and the like, remember that much of it can be bought secondhand (The Shooting Times is a good source). Unlike pheasant or grouse shooting when you really would not want to show your face without a gun (or preferably a matched pair) of your own, with stalking it matters much less.

Most estates have a spare gun or you can often borrow the stalker's one. If you want to buy a good secondhand one, Holland & Holland, for instance, sell them from around £5,000. A new bolt action rifle would cost from £9,750 while a bespoke bolt action rifle with quick detachable mounts, telescopic sight and engraving would be around £13,000. Your local gun store would probably sell you a good bolt-action rifle for about £350.

Binoculars are essential and though the best Zeiss would set you back about £700, a small, lightweight pair of £200 at £200 would be fine (the first number refers to the magnification and the second to the size of the lens, in millimetres). The traditional stalking scope is hard to find but Ormiston & Co. in Inverness (tel: 01463-232104) occasionally have secondhand ones for sale between £250 and £500.

The poshest binoculars of all, Leica's Geovid, £742, have a laser beam which reads out how far away the deer is - £2,450 from Ray Ward Gunsmiths, 12 Cadogan Place, London SW1.

Stalking is not for everybody - some dislike the shooting and not everybody can afford it. But a day out with a stalker is a day that

brings you into intimate contact with the land. By treading the heather, climbing the hills, dodging the mists and drizzle, getting cold, wet and exhausted, the feel of the land enters the bone. But also, if you choose your stalker well, a day in the company with somebody whose life has been linked with the land and the country for generations is a fascinating glimpse into a world that is vanishing.

Walking and crawling over the hills with our stalker in Scotland; the Highland clearances were living history, Scottish devolution a hot issue, the evolution of the land and its inhabitants a constant source of interest. It is all as remote from most urban lives as the hills themselves.

Finally, it is worth remembering the words of our stalker: "You're never too old to stalk your first deer. The oldest person I've ever taken out for his first deer was 69 and he was as thrilled as if he'd just flown Concorde."

For those new to stalking, the main sporting agencies are Holland & Holland Sporting Agency, 31-33 Bruton Street, London W1 (tel: 0171-499 4411) or in Inverness, Scotland (tel: 01463-716 05). Hendry, Ramsay, Wilcox, in Perth, Scotland (tel: 01733-628671). *Roxton Sports*, 10 & 11 Bridge Street, Haverford, Berkshire RG17 0EJ. Tel: 01488-684543.

The *Shooting Times* is essential reading for information on country pursuits and has a useful panel listing the stalking available. Second-hand equipment is also listed. Stalking is restricted to certain times of year, which vary for red deer, fallow deer, roe deer and Sika. Shooting of everything except fallow deer stops on October 30 but fallow deer may be shot through until April next year. Close seasons also vary between England and Scotland - any shooting agency will be able to advise.

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and in his heart that he chooses
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BUSINESS

SPORT

Olympics

The road to the Games in need of repair

Peter Aspden on how Athens is preparing its bid

On a radiant sunny day in the centre of Athens... Glanna Angelopoulos-Daskalaki... Athens is preparing its bid for the 2004 Olympic Games...



Niki Bakogianni, silver medalist in the high jump, leads Greek athletes in Atlanta, where the country achieved its best medals tally since 1896

Athens on an inspection tour later this month is unifying one of the worst airports in Europe... Athens has met predictable delays...

harbour "that has been in use for 46 centuries" - Angelopoulos-Daskalaki says the package offered by the city is unique...

they think of hosting the Olympic Games. There, too, Athens is confident: recent polls show near unanimous support for the bid...

are fights in life, and it is good to participate, with fair play, and then accept the consequences...

The 11 cities bidding to host the 2004 Games are: Athens, Buenos Aires, Cape Town, Istanbul, Lille, Rio de Janeiro, Rome, San Juan, Seville, Stockholm and St Petersburg...

ing

The Financial Times wishes to apologise for misleading its readers. Five years ago we wrote that Fernando Valenzuela, the most imaginative left-handed pitcher of the 1980s...

partly sentimental because he has made our pages more than any other baseball player in the last 15 years...

ended with record numbers of home runs (4,962) and runs scored (22,831), with record numbers of players hitting 40 or more home runs...

eight previous seasons had he managed more than 21 homers. This year he knocked 50, second only to mighty Mark McGwire of Oakland...

Even the very best pitchers mostly took it on the chin. Mike Mussina of Baltimore won 19 games again, but gave up nearly five runs an outing...

difficult not to like the Braves, defending champions, because in Spolitz, Maddux and Tom Glavine they have the most tested starting rotation...

hits form again and the same is probably true even for the Indians, which had the best regular season record...

making the play-offs. For this romantic, the decisive seventh game of the World Series would pit Valenzuela against Orel Hershiser...

Please excuse us, Mr Valenzuela

Old romantic Jurek Martin knows how he wants the World Series to end

Baseball

We now accept that Valenzuela was merely besting during subsequent modest seasons in Philadelphia, Baltimore and his native Mexico...

That, however, has not been the story of this season, now known only as the Long Ball Year. Whether the cause was bad pitching, tighter balls, smaller parks or hormonal injections by batters...

Three Colorado Rockies drove in more than 140 runs each, only the second team ever to have accomplished this...

Unlikely players performed muscle-man feats. Brady Anderson of the Orioles has long been a decent performer but never in his...

That is why on the National League side, it is difficult not to like the Braves, defending champions...

The Orioles must rely on their bats unless Mussina hits form again and the same is probably true even for the Indians...

mind too much who won.



From left: the Renault Mégane Scenic, for those who do not need an Espace-sized MPV; the Citroën Berlingo Multispace, a family transporter; and the Toyota Picnic, six seats in three rows

Motoring

Why big is not necessarily better

Stuart Marshall on the people movers which are the stars of Paris motor show

People movers for smaller families are the star turns of the Paris Mondial de l'Automobile which opened last week...

vehicle (MPV). Other manufacturers seem bound to follow the mini-MPV trend - pioneered in the late 1980s by Mitsubishi's Space Runner...

slimmed-down version of the Espace but one of a number of variants of the Mégane. This small, medium class car has been selling in large numbers...

Picnic is a little more up-market than the five-seat Renault Scenic and Citroën Berlingo. Toyota calls it an FFV (family fun vehicle) and reckons it will be as big a success as the RAV4...

van. And there is nothing wrong with that. The bigger the body, the more you can put in it and the higher the roof, the more headroom there is for passengers...

cept cars - a beach coupe, which is like a glamorous pick-up truck; a round and roomy four-door saloon, and a three-door Grand Large estate...

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Renault's Scenic "Activity Car" is rather like a mini-Espace, though Renault stresses that it is not a

road) four-wheel drive market. They share the same 2.0-litre engine and, like RAV4, the Picnic will be offered with 5-speed manual or 4-speed automatic transmission...

Citroën makes no bones about the Berlingo Multispace's provenance: it is a passenger carrying version of its latest small delivery

On Citroën's Paris stand are three Berlingo-based compact cars - a beach coupe, which is like a glamorous pick-up truck...

Other highlights of the show are the new Renault Espace; a Peugeot 406 estate car; an elegant Peugeot 406 two-door coupé and a flagship Citroën Xantia Activa with roll-eliminating suspension...

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OUTDOORS

Property
Green, clean
British
Columbia

Gerald Cadogan finds smart homes with ocean views and snow-capped mountains in Vancouver and Victoria

Vancouver in British Columbia is a lovely city, green and clean, in a spectacular setting on the sea with mountains behind and beaches beside. "At the end of work, half Vancouver spills out to play volleyball on the sand," says Sarah Blair-Gould, marketing executive, "or they go mountain biking."

Fishing and sailing are easy, and eating is excellent, helped by British Columbia's wines. Gardens thrive in a mild climate, although there is plenty of snow for skiing on Grouse Mountain above west Vancouver.

Many places are accessible only by ferry, chiefly Vancouver Island, Victoria, the capital of BC, is on the island which has long had a reputation as a bastion of Britishness, and a place for black sheep "remittance men", those whose families in Britain paid for them to stay away but whose descendants survive.

The island is popular with people in Vancouver for second homes but, even during busy summer weekends, says financial adviser Nicholas Dennys: "Having to take a ferry is a natural restraint on the numbers who

travel and buy property." This cosmopolitan city was Canada's principal port on the Pacific and the last stop for trans-Canada railway lines. It has long attracted Asians, principally from Hong Kong and Taiwan, and is said to have the second largest Chinatown after San Francisco.

Last year, more than 44,000 immigrants entered BC, down 9.2 per cent on the previous year. Many were Asians who introduced large amounts of capital. Last year, 990 holders of entrepreneur visas and 829 holders of investor visas, coming to BC mainly from Hong Kong, Taiwan and South Korea, declared funds totalling C\$3.91m. Such funds have had a powerful effect on the property market which, in any case, has been buoyant for the last 10 or 15 years, says Eileen Smith of Sutton Group-Elite Realty, "even though there has been a bit of a downturn over the last year or two".

The average price of a home in Vancouver in August was C\$300,000 (£140,000), down from C\$330,000 a year earlier, says newsletter publisher Ozzie Jurack.

The other boost to BC is the number of Canadians from



English Bay in Vancouver: the climate is mild, the snow is good for skiing, fishing and sailing are easy and house prices are falling

the eastern provinces, who choose to retire to the area.

BC has averaged a 2.5 per cent growth in population over the last 10 years, against 1 per cent for Canada as a whole. In Vancouver the smartest places to live are the Westside (or Vancouver West) and west Vancouver - which are out the same. Prices of C\$2.5m-C\$3m are now becoming quite common, says Dennys. The Westside, with many expensive homes, is the west part of the city in the direction of the University of British Columbia.

In the Shaughnessy district on the Westside, 1275 Laurier Avenue is a brand new mansion for C\$4.38m (through Sutton Group-Elite Realty).

West Vancouver lies across from the city centre on the north side of the Lions Gate bridge (built in 1937), where desirable houses have lush gardens and ocean views. Part of this area is still known as British Properties after the original development company. The Guinness family also invested, naming its part Park Royal after the brewery in west London.

In the first half of this year, 62 properties sold for more than C\$1m in West Vancouver, including 22 on the waterfront against six in the same period of 1995. This is the top end of the market which holds the general picture of the median price in West Vancouver from C\$568,000 in August 1995 to C\$525,000 in August 1996.

The biggest gain was on a waterfront property that was bought for C\$1.6m in spring 1995 and sold on, after refurbishment, for C\$3m this June. A house by the water at 444

Ross Crescent at Stearnan Beach in West Vancouver, with a stunning view of the ocean and city from the master bedroom, on offer from Sussex Realty for C\$1.85m, is, says the agent, about the cheapest waterfront property for sale in west Vancouver.

The most expensive costs C\$9.9m. Lots at Eagle Bay at Gallagher Point, with views of Howe Sound and snow-capped mountains, are available for C\$2.95, 0.00 or C\$1.275m (land only). Building will cost around C\$110-C\$115 per square foot.

On the downtown waterfront,

apartment prices have fallen around C\$30,000-C\$40,000 a unit, says Jurack, partly because people are moving further out into the smaller communities of BC which are seeing "unprecedented property booms".

"This is God's country," says Smith. It has everything to offer, including good education at UBC. ■ The area code for Vancouver is 604. Sussex Realty (925-2911); Sutton Group-Elite Realty (255-3322); Jurack's Real Estate Investor costs C\$295 a year (to include Jurack's Facts by Fax - available separately for C\$125; call 464-0808.

Skiing

Survival in a winter wilderness

David Heard learns how to build igloos and avoid avalanches on a ski-touring trip across Norway

It was day two of a ski-touring trip in Norway. We had flown into Stavanger and then driven north up the Setesdal Valley to Hovden. The countryside was raw and imposing. Nature has nothing to show on the small scale here, just vast tracts of forest, then plunging fjords and long languorous lakes reaching out among the mountains.

Before breakfast we were getting familiar with avalanche probes, snow shovels and learning to pack our kit as compactly as possible. Hovden has an alpine ski area and loops of lopes (the cur tracks) far across country. We had practised our dubious cross-country techniques on the nursery slopes with our new equipment, but now were returning to the roots of skiing.

Our hosts, Tim Davis and Vince Haig, are Britons who have lived in, and loved, the mountains for years.

They were formerly instructors with the British forces teaching alpine survival skills. They now run Troll Mountain Experience, their own company, and their skills were needed as the six of us wobbled off into the teeth of a blizzard with all the stability of new-born gazelles.

We carried our own refreshments with us: flasks of coffee and biscuits, taken down the open. Yet we were mainly cosy, as imprudences that may seem, in the middle of a mountain

meadow in a raging blizzard. Here, a combination of skill, survival technique and lateral thinking is needed. We huddled together, chatted and grinned a lot, sang inside a Zdarzsky sack.

This is a large nylon envelope, like an elongated parachute. Four of us sat on our rucksacks in a rough circle and passed the parachute over us, like pots under a tea-cosy, tucking the hem under our rucksacks. Our body warmth and breath inflated it and we sat and refreshed ourselves.

The day's destination was Sloaros at a height of 1,100 metres and a 15km trek across a bleak landscape. Accommodation was a solitary wooden hut, but unlike any refuge I have seen in the mountains before.

This was a grand chalet, with a lounge that could seat 24 people at three chunky wooden tables, two four-bedded rooms and a six-bedded room, with more sleeping space in the loft and on bench seats around the lounge.

The kitchen was equipped with a hotplate gas cooker, pots, pans, crockery and cutlery - and an amazing sup-

ply of food including tins of caviar, soup, pasta, paté, tuna and pickled herring, plus packets of potato, rice, coffee, tea, dried milk, and jars of jam and chocolate spread.

There was a washroom, lots of lines for drying clothing and the whole place was heated by two wood burning stoves. Twenty yards away was an unheated hut - the field loo.

The first tasks on arrival are always to secure a supply of water either by melting snow, collecting from a stream, or in one case through the ice of a nearby lake; and cutting plenty of wood.

The hut was one of a network of several hundred throughout the country, built and maintained by the Norwegian Mountain Touring Association linking 33,000km of tracks. There are three types: a staffed hut, which is run like a small hotel; unstaffed but provisioned; and basic huts which offer sleeping and cooking facilities, but no provisions.

The unstaffed accommodation is run purely on a trust basis with simple house rules being that you pay for



any food you consume and accommodation (according to a typed tariff) by leaving cash in a donation box. And it is the courtesy to leave the place clean, tidy and stocked with wood.

Hut chores over, we settled to a dinner of fish soup and tinned Lapkaus. This is a rich stew with sausages and, apparently, the origin of the word "sausages", as the Liverpool dockers used to share this hearty concoction with Norwegian sailors. We devoured tins of it on this trip. The first to rise in the

morning (Davis and Haig, of course) had to light the stove and get the brew going. Breakfast was a feast, with steaming plates of porridge, jam and paté sandwiches and mackerel fillets on crispbread. Theo it was tidy but out for a lesson in mountain navigation and orienteering.

Davis had us shuffle across the snow, eyes closed, supposedly in a straight line. Our arcing ski traces demonstrated the fallibility of instinct. "Always trust the equipment first and your own sense of direction second," was how Davis put it.

We learnt to use a compass and how to read the apparently featureless landscape. "Navigate by rock-faces and large features. The soot on south-facing rocks melts first." We also began to tune in to this remarkable environment.

never have been visited by other human beings.

The area was a snow desert, but we were not alone. We tracked reindeer and finally came upon them, languidly grazing on the lichen. Eventually they scooted or saw us and then were off. Honey buzzards flew high; a solitary ptarmigan sat motionless on a rock, oblivious to us shuffling by. The silence and the space made this a magical moment.

We lunched on a peak at roughly 1,300 metres, not high by normal skiing standards, but the snow comes early here and lingers longer. We sat on the roof of the world and from our peak, snowfields rolled to the skylines in huge ripples and wind-blown corniches.

We learnt to read "Rutsch" blocks, huge chunks of snow which we cut with shovels from steep slopes. By looking at the layers, like the rings in a tree trunk, we could determine a snow profile and assess avalanche danger.

In the following days we dug deep snow holes into the side of the mountain capable

of accommodating the entire group, with a double tunnel entrance. Ice shelves for sleeping on and ventilation shafts.

The heat from our bodies kept the snow hole comfortably warm. Although the confined space was at first disconcerting, we managed to lay out and sleep through an Arctic night and even enjoy a cosy early morning cup of tea from the soft luxury of our sleeping bags.

We also built a Sigg survival igloo. This begins as a simple hole in the ground that four people sit around, dangling their legs in, with arms around each other's shoulders. The four are first covered with blankets, sleeping bags, or in our case Zdarzsky Sacks and the remainder of the team then cover them with snow to form the igloo. Another team member burrows to make an entrance tunnel.

Once the outside pile is complete and tamped down the job is then to dig down and out from the inside. In about 20 minutes we had created a domed room underground with a 10ft-long entrance. In a real emergency this would have

quickly protected us from the ravages of the elements and could have housed all of us safely overnight.

We also learnt to cut ice bricks, using the edges of our skis like giant bread knives, with which to build a more leisurely snow-home.

By now we were getting used to the rigours of ski touring. Journeys of around 20km each day were becoming easier.

Davis and Haig tailor their itineraries to suit the capabilities of each group, but their limitless enthusiasm kept us absorbed, made the lessons come alive and the hard work enjoyable. This was no standard holiday, but a true winter wilderness experience. And a whole new dimension to skiing.

■ **Wotymork Holidays** (01753-516477) working with Troll Mountain Experience offer ski touring, telemark and winter skills packages from Ljosland and Setesdal in south-west Norway from around £500 for a week. Troll Mountain Experience (in Norway) contact Tim Davis 0047-37931334. Norwegian Tourist Office 0171-339 6255.

PINK SNOW

Next week - Weekend FT's guide to skiing in 1996/97: ■ Arnie Wilson picks the ideal resorts for 10 types of skier and casts his eye over this winter's brochures. ■ And Stuart Marshall has advice on mountain driving

Gardening

A triumph of restoration

Gerald Cadogan assesses a product of Britain's best designers

The National Trust has won two victories recently in its long-term campaign to resurrect the glory of the great 18th century landscape garden at Stowe, the palace in Buckinghamshire which is the political powerhouse of Whig England.

A spectacular restoration of bright honey-coloured limestone of the Temple of Concord and Victory, the grandest monument in the garden apart from Stowe House itself (which has been open since the 1990s), is now open. The 19th-century tennis courts have been demolished, to bring back the grass setting of the Temple of Friendship.

The Stowe garden was far more than a pleasure ground for afternoon walks and fêtes champêtres for the politicians who met there. View it rather as an icon of a self-nourishing 18th-century England creating its empire at the expense of the French, Canada, India and the West Indies. Its mostly classical temples, statues, arches, columns, pavilions, Palladian bridges and a pebble alcove, set in a landscape of woods, glades and lakes,

display Whig ideology at its most formidable. Only Pericles' buildings on the Acropolis of Athens match its show of beauty, intellect, learning, wealth, political and military power, and nationalism.

Richard Temple, Lord Cobham and his Grenville heirs, who became eventually the Dukes of Buckingham, would have liked the comparison. They used their wealth on Britain's best designers - Vanbrugh, Bridgeman, Robert Adam, Capability Brown, Kent and Gibbs - to create a perfect symbol of England revitalised.

"Everything is meant," says Richard Wheeler, the trust's regional land agent and a member of the Stowe team. The artificially contrived natural setting is England at its best. The monuments trumpet the glory of English enlightenment and liberty.

Recreating this witty, proud paradise of allegory and allusion is a hard task for the National Trust which has to blend ideology with the practical business of running a garden. It must look at every monument in con-

text before chopping or planting trees, restoring paths and reopening overgrown vistas.

The 18th-century descriptions and the estate records, now in the Huntington Library in California, help, but some of Stowe only makes sense in the mud, when scraping the ground to find lost paths, for example - a vital clue as to how visitors were meant to meet the garden.

Since taking charge in 1990, the Trust has done wonders in opening the vistas between the monuments which, free again of overgrown trees, now relate to each other and create a unity of thought and vision.

The Stowe team has identified where there were open groves with bare tree trunks (as in the Grecian Valley on which Concord and Victory look out) and where closed groves, needing dense underplanting of box, holly and yew to maintain the logic, shut out the views, and enhance the garden's surprises.

Removing the tennis courts from Friendship is a huge improvement. Once again this shrine to political

connection (cronyism) can be seen from the Gothic Temple (formerly the Temple of Ancestral Liberty) in the Hawkwell Field.

The restoration of Concord and Victory makes a spectacular entrance to the garden. Built to celebrate victory over the French in the Seven Years War, thus ensuring concord for the British at least, the sculpture in the pediment of this Greek-style temple shows the four corners of the earth bringing tribute to Britannia.

Do not miss the camel, lion and turtle. Now the National Trust will turn to redoing the Rotondo (begun by Vanbrugh as a Temple of Venus) and the Chinese House, rediscovered in Ireland. It is returning to Stowe as a memorial to Gervase Jackson-Stops, the much-missed Trust architectural adviser. With the appeal nearly complete, contributions are still welcome: National Trust, Hughenden Manor, High Wycombe, Bucks, HP14 4LA.

■ The garden is open until November 3 on Monday, Wednesday, Friday and Sunday, and daily from December 27 until January 5 1997.



Spectacularly restored: the Temple of Concord and Victory, Stowe

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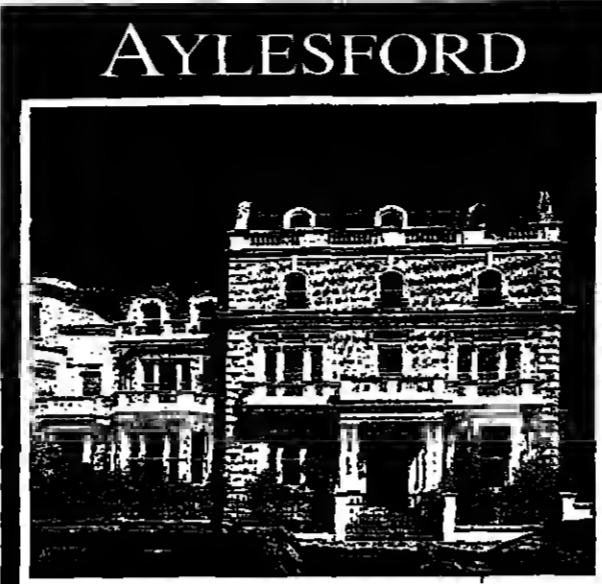
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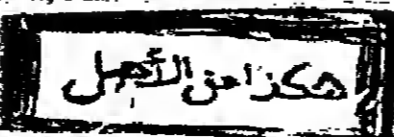
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FOOD AND DRINK



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Old-fashioned vermouth

Giles MacDonogh visits Marseillan, where they make Noilly Prat

The Gaujals' domaine in Pinet, on the south coast of France, contains impressive reminders of its former grandeur. The huge stone chais, where the fragile, Picpoul wine is prepared, date from 1908. The vaults were designed by a pupil of the great engineer Eiffel, and the family lives in a proper chateau nearby. In those days Picpoul was a mighty cash crop. It was found to be ideal for making vermouth, and the turn of the century marked the high water mark of the French vermouth trade.

Claude Gaujal explains his family history with endearing lucidity. Although the Picpoul grape is one of the Languedoc's indigenous varieties, the village of Pinet was not noted for wine before the mid-19th century. Before then there were just olive trees and an awful lot of sheep. "A.B.", the author of the *Topographie et statistique de Marseillan* of 1866 charts those boom years of the mid-century. The local port town's 4,000 inhabitants sank around 10,000 hectolitres of wine a year. Production, however, amounted to 175,000 hectolitres in 1862. It had jumped up by 70,000 hectolitres in just 20 years. The local brews which fetched the highest prices were Picardan, a dry, vaguely madeira-like wine, and Picpoul. Much of the Picpoul was shipped to Italy - one presumes to top up the vermouth vats. Marseillan is a neat little port a

few miles south of Pinet. In 1866 it boasted just one vermouth company run by the Maffra family. Real fame came to Marseillan only with the arrival of Noilly Prat and the development of a "French" style of vermouth which could compete with the Italians on their own terms.

Joseph Noilly originally came from Lyons where he founded a wine business in 1800. In 1813 he started making vermouth. This was natural enough: Italy, the home of vermouth, was closer to Lyons before the cession of Savoy to France in 1860, and the Alps could provide him with most of the aromatic herbs he needed to flavour his wine.

In 1837 he became associated with a Claudius Prat who did the done thing and married his daughter. Eleven years later the company moved to Marseilles from which it began to spread out. At its high point there were Noilly Prat establishments in Marseilles, Sète and Marseillan with barges running the base wines up and down the coast.

Vermouth was then considered to be a healthy drink. It contained all sorts of life-enhancing herbs and quinine to deal with the venemous mosquitoes of the colonies. The Noillys and the Prats were fervent Roman Catholics, and sent out free vermouth to the priests working in the French West Indies, establishing a fondness for the drink in those parts which remains undiminished.

The two main white grape varieties of the French Midi proved a boon to the vermouth makers. Clairette was brought from the hillsides, while the highly oxidative Picpoul was grown on the plains near the coast. In those days the wine was picked late, riper and sweeter than it is today. With time the French discovered their meter was to make "dry" vermouth (the Italian version was sweet) and the grapes were brought in earlier. Even now "dry" doesn't mean bone dry: there are 33 grams of unfermented sugar in a one-litre bottle of Noilly.

No one seems to know when the large Noilly installation was set up in Marseillan: it is not mentioned in the prolific "A.B."s history of the town, so it clearly post-dates 1865. By 1904, however, Noilly Prat had become a big enough cheese to purchase the entire Gaujal crop. Those stone-built chais were the direct result.

With time, too, Noilly's other production units breathed their last: Lyons, Sète, and Marseilles, until only Marseillan remained. Marseilles (incidentally the city which founded Marseillan) gave up the ghost under a decade ago. In its last incarnation it served to bottle the wines made in two stages in Marseillan and Sète. The wines arrived on barges. The sea journey helped to expose the vermouth to the air, which was believed to do it a power of good.

Cookery

The comforts of plum puddings

Philippa Davenport has some ideas on how to deal with a surfeit of fruit

The pleasure of plums: in my corner of England, 1996 is proving to be the year of the plum. I cannot remember such a fruitful season as this. Branches as gaudy as overdecorated Christmas trees are in danger of collapsing under the weight of orange and gold Victoria plums, bought and bowed with Venetian green greenings and damsons.

If the weather plays fair, plums are excellent simply cooked in a covered dish with a few spoonfuls of freshly squeezed orange juice or light syrup to prevent sticking. Baking is a better bet for plums than cooking them on

top of the stove, where sudden direct heat can cause unsightly hursting and discoloration. Similarly, it is wiser to shake the pot than to stir it.

To give an old favourite compôte a fresh twist, consider aromatising the syrup with a sprig of herbs (rosemary, lemon balm or mint) or flavour it with crushed cardamom or a snip of star anise. I am not sure why but plums taste nicer warm than hot, particularly when the compôte is partnered with slices of home-made sponge or plain pound cake to mop up the juices, and dollops of chilled crème fraîche for contrast.

A nip in the English air

suggests the more substantial comforts of a proper pudding at luncheon on Sunday. Think of plum charlotte (made like apple charlotte but filled with a dense purée of plums), think of a crunchy plum crumble that includes demerara sugar and chopped hazelnuts, and of tarts and pies made with shortcrust, puff or filo pastry.

PLUM SAUCE FOR MICHAELMAS GOOSE
There is more to plums than puddings, of course, witness this sharply flavoured trackle-meat which goes well with hot and cold roast goose. It is also good with other rich meats, such as pork and venison. Make it with home-made jam or, failing that, a classy brand such as Tiptree. Plum sauce will keep for a couple of months if potted in a screw-top jar and stored in the fridge.

1 jar damson jam; a little raspberry or red wine vinegar; the finely grated zest of 1 orange; 2 teaspoon ground cinnamon; 2 tablespoons sunflower, safflower or mild olive oil.

Tip the contents of the jam jar into the top part of a double-boiler. Stir in 3 tablespoons of vinegar if the jam is home made, or 3½ tablespoons if shop-bought. Add the citrus zest and spice.

Place over barely simmering water and beat gently, stirring occasionally, until the jam is warm and runny and blended with the vinegar. Rub through a fine sieve to make a smooth purée. Then gradually beat in the oil with a fork. Season with a little salt and pepper to taste. Put in a sterilised jar.

DAMSON BREAD TART (serves 8-12)

The antithesis of those dainty wafers of puff pastry laid with careful circles of sliced apple, with which ladies who lunch will occasionally allow themselves to toy, this is a rustic fruit tart for those with serious appetites. The fruit is covered with an enriched bread dough and inverted after baking, when the crumb



soaks up the intensely fruity purple juices. For the dough: 300g strong white stone ground bread flour; half a 7g packet (1 teaspoon) easy-blend yeast; 45g sugar; 50g butter; 175ml milk; a little beaten egg and a pinch of granulated sugar to glaze.

For the filling: 800g damsons; 150g sugar; 1 large or 2 small oranges; a good pinch of ground cinnamon. Mix the sifted flour with the yeast and sugar. Heat 100ml milk gently with the diced butter, when the butter has melted add the rest of the milk. Then make the dough by hand or using a food processor or food mixer with a dough hook, incorporating as much of the warm liquids as is needed. Cover and leave to rise - a slow rise in a cool place is best.

Wash the damsons, slit them and put them into a 30cm shallow tart tin (not one with a removable base) or, given the potential of acid fruits for pitting or discolouring metal, into a Pyrex or ceramic dish.

Sprinkle with the sugar mixed with the spice and the finely grated zest of one small or half a large orange, and pour on 4 tablespoons freshly squeezed orange juice. Cover with clingfilm and leave at room temperature while the dough rises so the sugar begins to dissolve. Bring the risen dough back to room temperature. Knock it back and roll it out to a circle rather larger than the dish containing the damsons. Lay it like a blanket over the fruit and tuck it in all round. Leave to prove for an hour at least.

Brush the top of the proved dough with beaten egg and sprinkle with sugar to glaze. Bake on a preheated baking sheet at 210-220°C (410°F-425°F) gas mark 8½ for 15 minutes, then at 180°C (350°F) gas mark 4 for 20-25 minutes. Lay a sheet of greaseproof paper over the crust if it begins to darken too much.

Run a palette knife round the inside edge of the dish as soon as it emerges from the oven. Leave to cool for 5-10 minutes then lay a quiche or cake plate (ie a flat plate with a lipped edge) over the tart. Clearly, the plate must be larger than the tart itself. Invert the whole thing carefully, then lift off the baking dish so the tart sits fruit-side up on the plate. Serve straight away if you like, but it is best, I think, when tepid and partnered by cream.

Eating in Really fast fish

Fish is one of nature's ultimate fast foods. A cutlet or fillet from one of the larger varieties, or perhaps a whole Dover sole or John Dory, and you should be eating in a matter of minutes. Although once a humble fish, cod's days of common usage are over. This wild monster of the sea - it can often weigh 18kg - is almost becoming exotic. While sea bass, bream, halibut and even sole are now farmed, cod, thankfully, refuses to be tamed. Moist, glistening flakes of pearly white flesh reveal the salty tang of the Atlantic. What better foil than the deliciously earthy flavour of lentils, for convenience from a tin, but otherwise boiled quickly with no need of soaking. Buy cautiously. It is last season's lentils you

Hugo Arnold's 30-minute dinner party menus - No2

Starter

SALAD OF LITTLE GEM, CAPER BERRIES AND ANCHOVY DRESSING (Serves 4)

10 fillets of marinated anchovies; half red chilli (or to taste) finely diced; 1 dessert spoon finely chopped chives; 1 tablespoon finely chopped parsley; very good virgin olive oil; balsamic vinegar; salt and pepper; 4 heads of little gem, outside leaves removed; 75g caper berries, rinsed and dried.

METHOD: Finely chop two of the anchovy fillets and combine with the chilli, chives, parsley and enough olive oil to form a dressing. Add vinegar, salt and pepper to taste and set aside.

Separate the leaves of the little gem, wash and dry. Combine in a bowl with the caper berries and pour over the dressing. Toss well and distribute on four plates. Drape the remaining anchovies over the top of each plate and serve.

The best anchovies for this dish are not the brown tinned variety, but the pale marinated type to be found in any good Italian delicatessen.

Main Course

ROAST COD, PUY LENTILS AND SUN-DRIED TOMATO RELISH (Serves 4)

Olive oil; 1 celery stick, finely diced; 1 carrot finely diced; 1 small onion, finely diced; two 400g tins Puy lentils (alternatively a good Italian brand); salt and pepper; 75g sun-dried tomatoes in oil, drained and roughly chopped; 3 spring onions, trimmed and finely chopped; 1 dessert spoon finely chopped parsley; 1 chilli (or to taste) finely chopped; 1 garlic clove finely chopped; 4 pieces of cod fillet of similar thickness; plain flour; 1 lemon.

Method: Preheat the oven to gas mark 7/425°F/220°C. Heat two tablespoons of olive oil in a frying pan and sauté the celery, carrot and onion for 10 minutes. Drain the lentils, rinse, add to the frying pan, season with salt and pepper and set aside. Combine the sun-dried tomatoes, spring onions, parsley, chilli and garlic, mix in enough oil to form a paste. Set aside.

Heat an oven-proof frying pan with two tablespoons of olive oil. Season the cod with salt and pepper and dust with flour. Place skin side down in the pan and cook for two minutes. Turn over, transfer to the oven and cook for a further three to four minutes.

Heat the lentils through thoroughly and arrange on four warmed plates. Top with the four fillets of cod and a generous spoonful of the sun dried tomato relish. Serve with a lemon quarter each.

Dessert

TART TATIN OF PEARS AND STAR ANISE (Serves 6)

125g caster sugar; 25g butter; 4 star anise; 700g pears, peeled, halved and cored; 225g puff pastry.

Method: Put the caster sugar and butter into a shallow, oven-proof pan and caramelize over a moderate heat until dark, but not burned - if it burns, you will need to start again. Remove from the heat and scatter the star anise. Put one pear half, cut-side up, in the middle, arrange the remaining pear halves around it, also cut side up. Preheat the oven to gas mark 5/375°F/190°C. Roll out the pastry and place on top of the pears, tucking the edges in. Bake for 30 minutes, or until brown. Rest for 10 minutes, turn on to a plate and serve - there may be extra juice from the pears, so take care when turning it over.

Wine

Jancis Robinson's recommendation with the main course is Capello di prete 1993, £5.25. The Wine Society (01438-740222).

This velvety southern Italian red should provide an equal match.

Hugo Arnold

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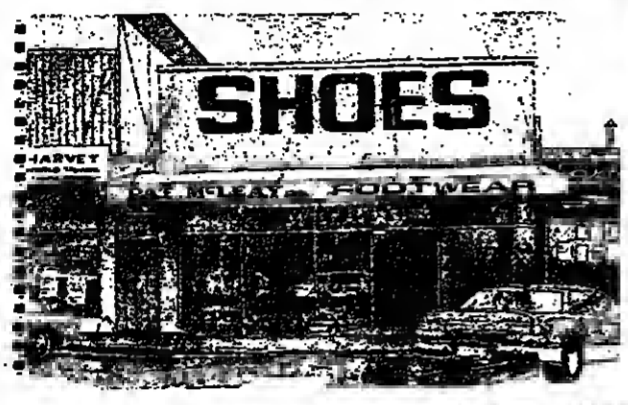
To capture impressions of the isolated landscapes of New Zealand's North Island, artist James Ferguson set off with his sketch book and the tools of his trade

The 19th century romantic artists set off on grand tours of Europe to discover for themselves the landscapes and achievements of the Renaissance. In the closing decade of the 20th century, air travel has made it possible to undertake a much grander tour of the most distant and unspoiled corners of the world.

New Zealand's pure, crystal clear air made me feel I was the first person to set eyes on these landscapes: an impossibly spick and span, pine-fresh, never-never land of virgin views. Even the towns looked vacuum cleaned.

You never saw a cigarette end in the streets. This uncanny tidiness was in its way as striking as the island's untameable volcanoes and geysers which in areas added a ghostly quality to a country otherwise redolent of 1960s England.

New Zealand is now attempting to capitalise on this emptiness and isolation; no one more so than Doug "Kiwi Dundee" Johansen. He lives in the Coromandel Peninsula, where there was once a gold rush. It is a two-hour drive from Auckland through cosy countryside, past a town called Thames. It is an environmentalist's heaven: vertiginous, mist enshrouded pin-



Clockwise from bottom left: Kiwi Dundee among the ponga, or silver ferns, in his beloved Coromandel; 'Main Street, Smalltown, NZ'; the Pohutu Geyser, Whakarewarewa Thermal Reserve, Rotorua; The Treaty House, Waitangi, Bay Of Islands - In 1840, Maori chiefs signed the Treaty Of Waitangi here, ceding governorship to Queen Victoria, in exchange for guarantees of possession of their lands. The real reason was to keep the French out; early morning mist, Northland



James Ferguson's visit was arranged by Australvel, 50-52 Conduit Street, London W1R 0NP. (tel: 0171-387 0212, fax: 0171-494 3528). He flew with Air New Zealand and stayed in the North Island at Okiaio Lodge, Puka Park Lodge, Huka Lodge and Hotel du Vin.

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Birds galore for a novice twitcher

Jimmy Burns focuses his eyes and ears in the Basque country

It was in Bermeo that I understood the meaning of twitching. Mid-afternoon, and a brilliant sun was casting its rays across the break-water of this picturesque fishing village off the coast of northern Spain.

While the fishermen had seemingly retired for siesta, their wives, sisters, girlfriends and daughters, had laid themselves out on the hard concrete, in a collective display of naked flesh.

Armed with note-books, cameras, telescopes, and field glasses, my travel companions scrambled out of the boat and made a collective charge towards a point vaguely equidistant between the breakwater and the cliffs beyond.

Watching them approach, one or two of the sunbathers feared the worst and made as if to cover themselves with their towels. But their look of anxiety quickly turned to incomprehension as the men ran past, ignoring them completely.

"It's a purple sandpiper," David said.

"I don't see it. I think it's a turnstone," Tim said.

They had stopped and were focusing their respective telescopes on two birds perched on a distant rock. For nearly 20 minutes they stood there debating its identity, oblivious to their surroundings, before agreeing that perhaps what they were looking at was a sandpiper and a turnstone.

We had arrived in Bermeo, half-way through a three-day tour of a particularly unspoiled part of the Basque country. In a party of six, I was the only one with no experience of birdwatching in the obsessive manner of twitchers.

But I had agreed to the trip after re-reading Scoop, Evelyn Waugh's classic satire on tabloid journalism, and imagining myself as the



book's main character, William Boot, in reverse.

While Boot had been mistakenly posted to cover the war in Abyssinia, knowing little else but the breeding habits of the Great Crested Grebe, I found myself in need of escapa from the monotonous warfare of urban life to the uncharted territory of rare species.

I was determined, however, not to be a *dude* - someone who pretends he knows about birds, I was happy and prepared to have my powers of observation enriched through the eyes of others.

It was difficult to avoid the birds from the moment we arrived at the converted farmhouse serving bed and breakfast high up in the hills and overlooking Guernica. At day break, a cacophony of birdsong rose from the misty valley and from the nearby forest.

The intrepid David stood in the half-light, ears poised, telescopes at the ready, prepared to identify the first on a list of rare species of birds. The serious twitchers hoped to spot 100 by the last day of

Cantabrian hills, to the rocky coast, along the salt marshes of the Mundaka-Guernica river.

We spotted an assortment of grebes, storks, tits, thrushes, wagtails, buntings, herons and vultures. Among the more visibly impressive were the birds of prey that we spent hours contemplating in the canyons, and gorges that begin in the foothills of the Pyrenees. The beauty of these birds grew with distance although the telescopes never ceased to pursue their quarry.

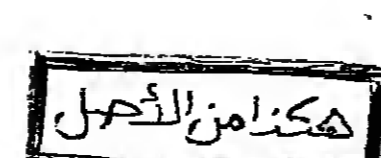
Close up, an Egyptian vulture looks like a plucked hen dressed in an Afghan coat. But in the distance it takes on a princely beauty, the gentle pose of its glida contrasting with the frenetic ducking and diving of the martins below.

Along the jagged coastline, sea gulls (yellow-legged herrings) perched in the cracks of the dark cliffs like pieces of cotton. Out to sea, on an island once inhabited by the Franciscans but abandoned since English pirates plundered it in the 18th century, a group of cormorants sat drying their black feathers, glistening like sunbathers.

Thanks to separatist movement Eta, the Basque country has become synonymous with violence. It is in fact a generally peaceful and hard-working part of Spain, with some of the most beautiful landscape in Europe.

The experts said there were not quite as many rare birds as they might have hoped for, but their list of "birds recorded" reached 100, with just an hour to go before our scheduled departure for London.

Jimmy Burns was a guest of Atzerreku, Birdwatching Tours, Apartado de Correos, 48300 Guernica, Spain. Tours from the UK organised by Gourmet Birds, Windrush, Coles Lane, Bristol, Westons, Kent. TN18 8NN



TRAVEL

Passion and conflict beneath the skin

Nicholas Woodsworth visits Quebec, a beautiful land divided by more than two languages



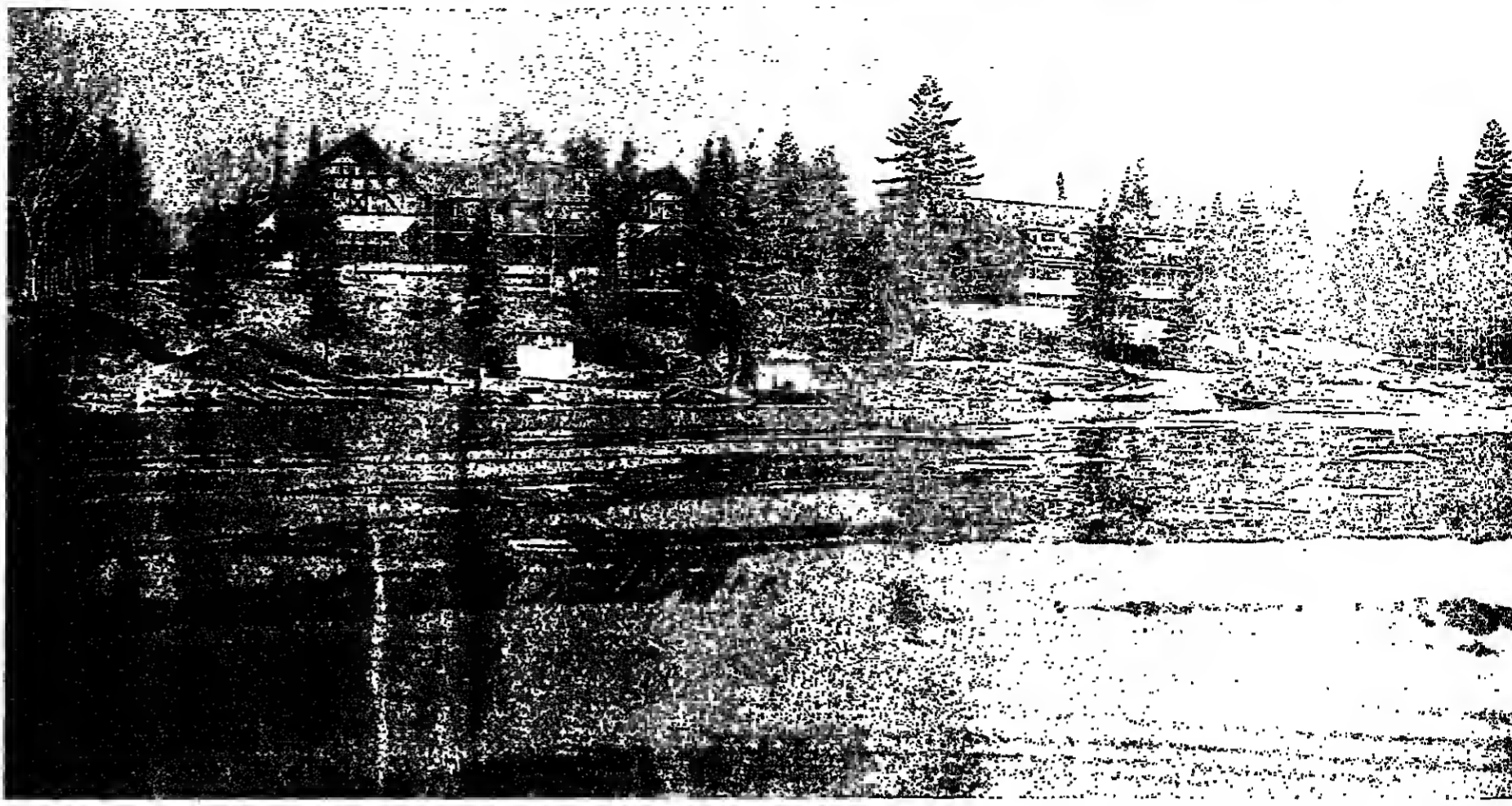
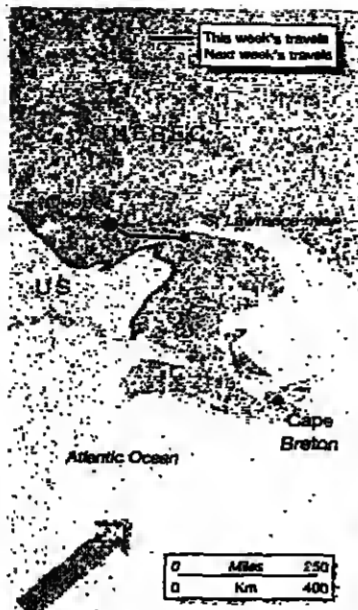
Ninety miles north-east of Quebec city, on the shore of a fast-widening Saint Lawrence River, I finally found an answer to my question. Ever since setting out across the province early that morning I had been bothered by the appearance of things.

Why, I asked myself as I rolled slowly along through fields of ripening corn, past barns and houses, herds of cows and swathes of drying hay, does it all look so different? There are houses and cows and hay-fields in Europe. A cow, one assumes, is a cow no matter where it is. Yet place these objects in a New World setting, and they seem changed. North America does not feel like Europe. Why?

I might have found the answer in the great wilderness that, beyond the narrow strip of farmland skirting the river, stretched away to the Arctic Circle and beyond. But it was the Saint Lawrence right beside me that finally made it obvious.

Pulling off the road, I gazed far out across the water. Where in Europe do you find a river so wide you can barely make out the far side? A gigantic plug-hole draining the heart of a continent, the Great Lakes and the waterway that connects them to the sea are together more than 2,500 miles long. The natural features of North America dwarf the human scale. It was not the objects around me, I realised, that make the difference with Europe; it was the objects not around me. In the vastness of America, things are defined and altered by the empty spaces.

Everyone knows that the continent is big - one has only to glance at a map. But there is a difference between looking at an inked page and finding oneself,



On the banks of the gigantic Saint Lawrence in the heart of Quebec the vastness of North America becomes apparent

as I did, lost in the middle of it all. What about the earliest arrivals, I wondered, who did not even have the comfort of maps?

Far out in mid-channel I could see a 700ft grain-carrier bearing mid-western wheat seaward from the lake-head at distant Duluth. In my mind's eye I replaced it with a tiny, masted wooden craft beating its way upstream.

In 1535, just 42 years after Columbus inadvertently bumped into America and claimed it for Spain, the French explorer Jacques Cartier sailed up the Saint Lawrence. In his search for a north-west passage to the Orient, he headed blindly into an unknown interior. Blocked by rapids near present-day Montreal, he instead made his own claim for the New World in the name of France.

If the subsequent centuries-long conflict over who owns what on this vast continent has largely

subsided elsewhere, it has not gone away in Quebec. As I drove along the riverside, the objects that stood out most in this rural landscape were not cows or farmhouses or fields at all, but flags.

Flying from poles and banging from porch railings, most bore the three-pointed fleur-de-lis; once the insignia of the French crown, it is today the rallying banner of a strident Quebec nationalism that is demanding independence. Evident only here and there along the road was the occasional red maple leaf, emblem of a unified Canada.

Both sides take their symbols seriously, but of late the debate has grown so bitter and acrimonious that it has descended to the level of the comic.

If Quebec nationalists have amassed flags aplenty, the federal forces are determined not to be outdone; phone a 1-800 number and officials of Ottawa's

multi-million dollar flag campaign will be happy to send you a maple-leaf flag free of charge.

English speakers in Quebec, however, may soon be cut down to size: the province's pro-independence Parti Quebecois government is proposing the reinstatement of the so-called "language police". Their mission? To reinforce French as Quebec's official language by roaming the province and making sure that English lettering on public signs and advertisements is at most half the size of French lettering.

Even the humble stop-sign has been enlisted in the fray - in France stop-signs say "stop"; in Quebec roads they read "arrêt". While extremists on both sides are carving out comfortable careers by fanning the flames of hostility, none of this bickering is doing much to advance their purported aim - the well-being of the people of Quebec. In a refer-

endum last year Quebecers decided by just one percentage point to remain within Canada. As political uncertainty increases, investment and the economy continue their woeful decline.

Enough politics, I decided as I drove into Saint Andre de Kamouraska, a village strung along the south shore of the river. I was dropping in on Claude Morin. Morin is a dyed-in-the-wool Quebecois, proud of his French roots and steeped in the traditions of his homeland. But he prefers singing to haranguing, and the violin to the soap-box. Now grizzled about the temples, he has for years made his way as a musician, travelling between small Quebec towns and country festivals, living in his old VW van. It was he who a few weeks before had sold me my own old VW van.

There is not much crossing of

the rugged linguistic divide in Canada, and not much understanding of one society by the other. But later that evening, chatting with Claude and his friends as we watched geese fly above a broad Saint Lawrence slowly turning silver in evening light, I at least began to understand the deep love the Quebecois have for their beautiful land.

A long history of rural isolation in a landscape gripped for months in icy winter; a traditional and paternalistic Catholic faith; strong inward-looking ties of community and family; a hard-working life leavened by an effervescent joie de vivre; a minority existence denied its full economic potential by an alien and dominant ethnic majority - all these things have shaped French Canada in the past and set it apart from the larger national life. When Claude later invited me to *Memoire et Racines* (Remember-

ance and Roots), a festival of traditional music in the town of Joliette, I saw for myself the tremendous emotional store the Quebecois set in their own sense of identity.

Towards the end of two days of fiddle, accordion and backwoods songs, I sat watching a group called *Homage aux Aïeux* - Homage to our Elders - bring a young crowd near to tears with their music. Separatists and federalists, it seemed to me can argue until they are blue in the face. What is presented as rational political and economic argument never addresses the real issues. Below the surface lies a deep well of collective historical emotion that demands understanding. Getting past the immediate appearance of things may be difficult for visitors to this part of the world. But in the end it seems no easier a task for Canadians themselves.

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BOOKS

Deep into our dim, erotic past

Good idea, shame about the fevered speculation, writes Michael Thompson-Noel

There is no shortage of beautifully written books in this world. No lack of well researched tomes. In fact, the living future of the printed word in book form has only one ink cloud on its millennial horizon - lack of ideas. Ideas are like gold.

It gives me uncircumscribed pleasure, therefore, to announce that the winner of my inaugural Great Ideas - Pity About the Book Award is Timothy Taylor, a young archaeology lecturer at the University of Bradford, whose brilliant idea was to write a book about the prehistory of sex, subtitled *Four Million Years of Human Sexual Culture*.

At a stroke, Taylor has stretched the timescale for sex books 4m years into our species

dim and erotic past. That is a long time. All those hairy cavemen! *Australopithecus sex!* Epochs of primitive erotic art! Imagine tracing human sex tastes and practices - homosexuality, transsexuality, sadomasochism, prostitution, contraception, threesomes, orgies - to their origins, to the misty times when our ancestors were nothing but randy macho boors or shamanistic dreg queens swaggering across the savanna, all lark-farky.

What Taylor has done for the living future of the printed word in book form has its intellectual side as well. As he tells us, the idea of a prehistoric timescale for contemplating issues such as eroticism and ecstasy is extremely new. Yet the sexual choices of our ancestors were the very things that led, Taylor maintains, to our mesoic increase in brain size and to the mental chasm between us and the lower animals.

His story is one of culture entwined with biology; of golden

penis sheaths, mammoth ivory phalluses, proto-suppositories and cave-art pornography; of Otzi

THE PREHISTORY OF SEX
by Timothy Taylor
Fourth Estate £18.99, 353 pages

the crossover Iceman found on the mountain border between Italy and Austria in 1991; of syphilitic prehistoric skeletons and of the charred remains of aphrodisiac herbs; of ancient sexual preferences and prejudices; of reproduction, gender, power. In short, it tells us how societies, since time's pearly dawn, have handled sex and sexuality. Or at least it makes a stab at it.

Nor does Taylor skirt the biggest questions. Surveying the past 4m years, he says, should make us humble when we lift our eyes to the next 4m. Why, says Taylor, our species may even live to see the next 4m years. But sooner or later, some end must come, and when it does a species as interesting as ours will

deserve an epitaph. Taylor says that a snatch of Goethe will do, from a poem called *Noch ein Paar*, because it is about humanity's finest feature - our gift for love and loving. Goethe wrote: *What they did, what they tried, No person knows! That they loved, That we know...*

Unfortunately, *The Prehistory of Sex* does not really stack up as a book. It was not thrown together. There are lots of sexy illustrations. I especially commend Pages 17, 116, 182 and 206. Nor does it lack a literary fla-

vour. I really liked the quotation from Rufus André Charles to the effect that we're all born naked and the rest is drag. But the prehistory of sex is such a virginal subject that Taylor's pioneering treatment is based, to an irritating degree, on fevered speculation rather than rock-hard proof.

This is understandable. But it means we have to wade through many pages of archaeological musings. At one point Taylor even tells us that archaeologists are still debating how "revolutionary" Neolithic farming was. If archaeologists haven't determined the significance of Neolithic farming trends just a few thousand years ago, what can they tell us about the mysteries of the orgasm among *Homo erectus*? Answer: zilch.

Trying to make order out of chaos

History cannot be so easily compartmentalised, argues A.C. Grayling

History teaches austere lessons. The fact that we usually ignore them is more a function of our optimism than our folly; as in Dr Johnson's view of remarriage, it represents the triumph of hope over experience. In her enormous book Anne Glyn-Jones sets out to accumulate the lessons of the past as they bear on the decline and fall of civilisations.

This ambitious project is premised on a long-unfashionable view that history follows philosophically significant patterns. Glyn-Jones bases her account on the work of the sociologist Pitirim Sorokin, a Russian émigré professor at Harvard University, who in the years before the second world war developed a grand thesis about history's stages.

Glyn-Jones's aim is to illustrate this thesis by what is in effect a cultural history of the west from classical antiquity to the present. Where Sorokin used painting as a basis for his study, Glyn-Jones uses theatre, "the mirror to nature" in Shakespeare's phrase, which she takes as corroborating Sorokin's views.

Sorokin's conclusion is that when people lack strong convictions about right and wrong, do not believe in God or absolute moral values, and seek pleasure above all else, society will disintegrate into a brute struggle of opposing appetites.

HOLDING UP A MIRROR: HOW CIVILISATIONS DECLINE
by Anne Glyn-Jones
Century £20, 652 pages

Following Sorokin, Glyn-Jones sees this happening now: the belief that reality is material is associated with prosperity; but it is also associated, simultaneously, with moral decay, because by definition materialism denies the non-material realities that support morality.

Stripped of its theoretical dress, this view is the familiar one that materialism is destructive of morality, that morality must be absolute to be of real value, and that absoluteness is best based on supernatural beliefs.

A great weakness with Sorokin's and Glyn-Jones's view is that history in all its pulsating variety cannot be compartmentalised into a few characteristic types. Glyn-Jones half-acknowledges this by saying that all three types are present in any epoch. But why should one except their threefold classification? Why should it apply to whole epochs rather than, say, tribes, or countries, or social classes? And even if one grants it, how can one be sure which of the three is driving historical change in its time?

There are few constraints on any generalised typing of



Haunting faces from the past: a newly married couple in the 1st century AD, believed to be a baker and his wife, depicted in a Pompeian fresco, reproduced in "Splendours of the Roman World" by Anna Maria Liberaati and Fabio Bourbon (Thames and Hudson, £29.95).

an historical period, because there is always evidence to support whatever view you like. Think up a pattern, and history will do its best to fit it. If you are selective enough. Take an example: Sorokin classified paintings of nudes as aesthetic or erotic. No doubt there are some which are clearly more one than the other. But are not many - perhaps most - both? And is not the degree to which a nude is erotic dependent in large measure on the viewer?

And again, it is highly disputable that people who

think material reality is the only reality are less likely to have clear ideas about right and wrong. Sorokin slides from talk of right and wrong to talk of belief in God, as though there were a natural connection. But there is not; atheists have to think about their moral principles, whereas devotees get theirs off the shelf; and in most religions there is no morality, only casuistry - that is, a theory about how to scrape by without violating divine diktat. Glyn-Jones makes the common mistake of equating "materialist" as one who

believes there is only material reality with "materialist" as one who loves money and pleasure.

Glyn-Jones writes exceedingly well, with happy turns of phrase. Her book is very third-hand, based wholly on quotations from others and the British press, but because of her wryly skill she has ably stitched together much interesting matter. But, as the book wanders structurelessly through the centuries, the argument lets it down. There is no conclusion, so the nub of the message has to be

gleaned as one goes. And the book ends on a thumping contradiction. Glyn-Jones calls the recent press for stories of murder, rape and sodomitous evidence of the decline induced by materialism; and then she reports that ours is an age in which religion is flourishing, especially in fundamentalist versions.

Maybe someone could venture an explanation of this connection, if it is one, for it directly contravenes the thesis Glyn-Jones has taken over 600 six hundred pages to present.

No, prime minister

Britain's political leaders since the war have generally had charm and style but they have not been up to the task of reversing national decline.

That is the thesis of the ironically titled *Muddling Through*. In this series of edited transcripts of Radio Four programmes, constitutional expert Peter Hennessy deliberates at length and with affection on the foibles of the British political system and on the talents of nine prime ministers.

He demonstrates how Churchill in his later years continued to fight the last war long after Britain's world role was slipping. Eden continued this policy, and the author has interesting insights on Eden's poor state of health when he went harging into Suez without the support of America and some of his colleagues. He also has access to many of the key actors who debated ad nauseam the importance of Britain's independent nuclear deterrent until it became inseparable.

Heath in 1974, they first had a discussion in a men's loo. "Harold did have a conversation with him (Powell) in the men's toilet at the House of Commons, and Powell said that he would be making speeches against the government, and it seemed only sensible that the speeches should be co-ordinated."

The author is sometimes over-generous to politicians, so he puts ministerial failures involved in the Matrix Churchill affair down to stress and pressure of work. On Tristan Garel-Jones' claim that he was reading his fourth box of ministerial papers on Matrix Churchill at 2am to catch a 9am deadline, Hennessy observes, "Isn't the lesson of this that somehow the executive mentality, the executive-mindedness of a system that does run flat-out and under stress, means that people - honourable people, but

MUDDLING THROUGH
by Peter Hennessy
Fiction Gallancz £20, 317 pages

stretched people - simply do not do the jobs that the Constitution assigns to them, ministers in particular?"

Excusing the men at the top with flim-flam of this kind diminishes the burden of his case, namely that the British system of select committees is not up to the job of investigating executive abuse, and that something more along American lines is needed to expose Whitehall's secretive cavities.

However, Hennessy's range is wide and his opinions boldly stated. In one chapter, he discusses the efficacy of select committees (could be tougher), in another he discusses developments in the Civil Service (very bright chaps, completely apolitical, who pick up all the pieces). He quotes heavily from interviews conducted with politicians and public servants he admires. Some could have done with judicious pruning. So it is with some relief that we reach the Thatcher hatchet job quotes from the lady herself.

However, there is one from her Finchley agent, the admirably perceptive Roy Langstone. He said in 1974, "Normally women in politics are a bloody nuisance. But she is the most fantastic person I have ever worked for in 27 years as an agent... I know she's got the capabilities (to be PM). One of these days, maybe, one never knows." The contrast in tone between the man on the ground and the grandee in Whitehall or Westminster goes to the heart of the Thatcherite revolution. Hennessy cannot avoid.

Nicholas Kochan

There seems to be no respite in the consciousness industry. Each new book promises new insights into a problem that has defied definition, let alone a solution, for centuries. The latest offering is this beautifully written book by the author of *Consciousness Explained*. But the sub-title of *Kinds of Minds. Towards an Understanding of Consciousness*, suggests some kind of retreat and implies that the titular explanatory powers endowed on its predecessor may have been somewhat premature.

Kinds of Minds is woven around a series of questions, asked with a new sophistication. But the reader is implicitly warned that there are more questions to come, perhaps in a future book, because "the main point of this book is to present the questions that I'm asking right now".

The author displays a confidence that most surely be the envy of most scientists, who are usually consumed by self-doubt.

Entertaining search for the x factor

Semir Zeki finds the definition of what makes man tick as evasive as ever

For he claims in the preface that "... my way of asking questions has a pretty good track record over the years, evolving quite smoothly to incorporate new findings, some of which were provoked by my earlier questions", while the questions of other philosophers, in spite of their initial attractiveness, "lead to self-contradictions, quandaries, or blank walls of mystery".

But according to what criteria, and by whom, is his track record judged to be pretty good? The reader is left to figure this out for himself.

His questions revolve around the central problem of what kind of organisation generates a creature that may be reasonably considered to be conscious. This of course raises the perennial question of how can we be sure that

any organism but man possesses that special property?

These are questions that have been asked before but Dennett brings to them a new freshness and takes the reader on an entertaining journey through the world of animals and robots. In the end, however, the reader is left with the impression that this is nothing more than a new variation on an old theme, and one that does not resolve even the definition problem.

Though many of the questions asked are fascinating, some are plain silly. Can an arm that has been cut off, we are solemnly asked, feel pain? "Well, why not? It does have a substantial number of nerve cells in it, still firing away. If we found a whole organism with that many nerve cells in it, we would be strongly inclined

to suppose that it was capable of experiencing pain."

Really? I do not know of any self-respecting neurologist or indeed anyone with the most rudimentary knowledge of anatomy who would be so inclined.

KINDS OF MINDS
by Daniel C. Dennett
Weidenfeld & Nicolson £11.99, 184 pages

The nerve fibres in an arm that has been cut off have lost their cell bodies and are thus no longer capable of "firing away". No neurologist would entertain such a thought, even philosophically.

One may be tempted to stop right there. But those who have been waiting for so long for an answer to the problem of con-

sciousness can surely read a few more pages. They will be rewarded with provocative and entertaining arguments, as well as with some startling assertions.

Dennett argues, for example, that it is not our larger brains that are the source of our greater intelligence, but rather our habit of off-loading many of our cognitive tasks onto our environment. There is a certain triumphant banality to the assertion, because neurologists maintain that it is not the size of the brain but the complexity of its connections, and especially its cortical connections, that gives us our superior intelligence and allows us to do all sorts of things - such as off-loading our cognitive tasks.

The statement is startling but only because it seems so out of date. Elsewhere there are all

sorts of creatures in this book - Popperian Creatures, Gregorian Creatures and Skinnerian Creatures - which possess qualities that help to define the special properties of Conscious Man, or so the author hopes.

There are also all manner of phrases that give one the illusion of having negotiated oneself around critical impasses: there is the Myth of Double Transduction, there is the Tower of Generate-and-Test, the Need to Know Principle and Smart Moves and much else besides.

All this conning of phrases does not take us much further and we are left with the fundamental question, happily addressed in this book although left unanswered.

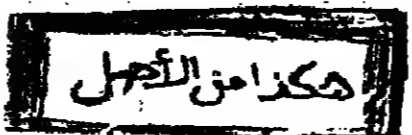
The question revolves around the word "sentience". Sentience,

Dennett correctly tells us, has never been defined.

What does it amount to, above and beyond sensitivity, and which organisms possess it? "This", he says, "is a question that is seldom asked and has never been properly answered. We shouldn't assume that there is a good answer. We shouldn't assume, in other words, that there is a good question. Everybody agrees that sentience requires [an] unidentified factor X" and the best place to look for that factor is in fact in the nervous system.

Well, it may not be a good question, but it has been asked before and will continue to be asked in the future, probably for years to come. And there may therefore be no good answer to it. But can anyone provide a better one for those whose lot is to study the nervous system?

Semir Zeki is Professor of Neurobiology in the University of London and co-head of the Wellcome Department of Cognitive Neurology.



A VE Engl buffe.

Weird

BOOKS

At the cutting edge of the pinking shears

Carmel Allen on the life of an unusual fashion victim

I have a friend who is a fashion designer. She told me that one of the saddest days in her life was her first day at St Martin's when she realised that hardly any of the new students were there because they revered good design. Now, were they incredibly talented for that matter? Most, she said, had chosen fashion simply because they "couldn't do their sums".

Unlike Italy, where designers are spawned from the disciplines of architecture (Armani), or the fine arts and archaeology (Biagiotti), the bulk of designers in Britain do not leave for college with any school prizes. Helen Storey could fall into this category. She says she "hovered between the troublesome 'thickos', and the ever-gaily bright kids" and left with one "O" Level and a rebellious streak that culminated in a brush with the police. After that episode her father, the playwright David Storey, helped her to secure a place at Kingston Polytechnic by putting together a portfolio of her "watercolour flowers and sketches of Donna Summer".

There were no "awards at college that indicated an instant future". She cryptically explains that, following a three month break in Greece, she "stopped off on the way home to Rome and by Duke walked into Valentino's on the day a 'pre-fab' version of myself was walking out."

The book continues to chart her career through the trials and tribulations of designing couture for sexy Italian signoras and her return to London to work for Belleville Sassoon. There she clothed a well-heeled coterie of lunching ladies and Royals while designing her own collection at home.

The account of the rise and fall of Helen Storey's own label has all the usual characteristics, and complaints, of the story of the hard-done-by designer, (those who draw shouldn't have to do the sums, banks should be more understanding of their underunding, the government doesn't help

enough, no wonder British talent goes abroad). But the most compelling part of the book is the chapter describing her husband's battle with cancer and his subsequent recovery. It is preceded by an earlier chapter, "Listen with Mother", in which she talks about the conflicting demands of the wife, mother and worker.

"Somewhere through the strains of parenting and earning a living, it is now clear that certain groups of men and women have become fundamentally disappointed with each other. We are not the mothers theirs may have

FIGHTING FASHION
by Helen Storey
Faber £12.99, 176 pages

been and they are not the fathers we need them to become." Read between the lines and it is not surprising to learn she asked for a separation from her husband while this book was being completed.

Reading Helen Storey's biography is to experience in words how one might imagine a piece of cloth would feel in her hands. Sometimes her writing is as jagged as a pair of pinking shears, cutting through the fibres, determined that they shouldn't fray, and then it is all flounces and drapes pieced together with nothing more substantial than a hurried seam of tacking thread. But it is almost to be expected from a woman who has been forced to commute between the animated air-kiss world of fashion and the numb, suspended world of the cancer ward.

Flitting between these extreme but parallel universes has left her feeling marooned. She seems to be writing now from that depressive no-man's land where anything that is vaguely normal or commonplace appears so banal as to be worthy only of contempt. She is constantly telling the reader that she's been there, she's done that and not only has she got the T-shirt, she designed and made it too.

■ Carmel Allen is assistant beauty editor on *Vogue*



The relationship between couture and art is explored by Richard Martin, of the Costume Institute of the Metropolitan Museum of Art, New York, in "Fashion and Surrealism" (Thames and Hudson, £24.95). Pictured is a 1979 advertisement by Serge Lutens for Christian Dior.

The tyrant of Trinidad

Forty-four years after his death at the battle of Waterloo, the remains of Lieutenant General Sir Thomas Picton were removed from the family vault in Hanover Square and laid to rest in St Paul's Cathedral. He is the only Welshman to be buried amongst so many of the nation's heroes, and his story is richly coloured by character and controversy.

Harvard opens his narrative in 1797 with the dramatic sequence of events which brought Sir Thomas Picton national notoriety and earned him the title of "The Tyrant of Trinidad." At 39 years of age Picton was appointed British governor of the newly conquered West Indian colony. Confronted with an island reverberating in the chaos provoked by the French and Haitian revolutions, he set about restoring order with a ferocity which was to haunt him for the rest of his life.

Harvard makes excellent use of historical documentation in his riveting account of the drama in Trinidad in which Picton was finally brought to trial for the torture of the young mulatto Luisa Calderon. His well-paced prose guides us through the shifting political and cultural climates of London and Port of Spain, evoking an immediacy about this moment of history through the informed use of broadsheets, letters and trial transcripts. Picton, his protagonist, looms large as life: robust and opinionated, "a man of strong mind and strong frame."

After five years of unemployment during which time he was tied up with criminal proceedings at home, Picton returned to active service abroad where Britain was at war with France. He left for the Netherlands as a general in the disastrous Walcheren campaign against Louis Bonaparte, a costly fiasco which he shrewdly described from the outset as an expedition planned somewhere between "madness and folly".

Despite the lingering effects of the Walcheren fever which had devastated the British troops, Picton was back in Portsmouth the following year preparing to sail to Lisbon where he

WELLINGTON'S WELSH GENERAL: A LIFE OF SIR THOMAS PICTON
by Robert Harvard
Aurum Press £18.95, 256 pages

would join Wellington's Peninsular campaign and make a name for himself as a Napoleonic war hero.

His reputation as a fierce disciplinarian preceded him and his behaviour with those under his command was reportedly consistent with his treatment of disorderly factions in Trinidad.

Indeed Picton himself appears to have taken some pride in his image as one who upheld what he liked to call "the wholesome severity of the law". Despite the trepidation expressed by many of those who met with his "caustic severity" he was clearly a spirited and courageous leader.

Raising his top hat and hurling thunderous insults at all those around him led his troops to meet Napoleon's army with characteristic bravado. "I never saw" wrote William Grattan of the 88th Division, "a more perfect specimen of a splendid looking soldier."

Harvard's text is scattered with extracts from letters written by Picton and his troops as they pressed across Portugal and Spain. Anxious, sick, reflective, depressed, their words bring an intimacy to the story of the Peninsular campaign.

If his account offers little insight into a more familiar narrative of the Welsh general, it is due to Picton's own preoccupations: he never married, and his mulatto mistress Rosetta remained in Trinidad with their four illegitimate children.

The troubles in the West Indies prevented Picton from receiving the honours he thought he deserved. Whilst his success in the field brought him praise and respect, his colonial history remained something of a public embarrassment. Harvard's biography reminds us of the important place of those collective imperial memories buried with so many of our national heroes.

Becky Hall

Innocence in Indonesia

Laurens van der Post has at last filled in the gap in his autobiography, writes J.D.F. Jones

Sir Laurens van der Post will be 90 in December and, astonishingly, in *The Admiral's Baby* he fills in the single substantial gap in the autobiography which he has been giving us, whether in novels or non-fiction, over many years - the story of the 22 months he spent in Java after his release from 3½ years of captivity under the Japanese.

The British occupation of Indonesia in 1945-6 may today be a near-forgotten sideshow in the epilogue of the war, but Van der Post was at the heart of it and he tells a fascinating tale.

In August 1945, after the

Hiroshima and Nagasaki bombs, the defeated Japanese asked for British help in supervising their withdrawal from Indonesia. This was an unforeseen task and Mounthaithen asked Van der Post - who was weakened by his years as a prisoner-of-war but familiar with all the actors in the new drama, Japanese, Javanese, Dutch, British - to postpone his return home.

The problem was evident: Indonesian nationalism, led by Sukarno and his colleagues, had flourished under the Japanese, whereas the Dutch gave every sign of expecting to resume their colonial rule as though nothing had happened. Van der Post, whose South African background gave him a very clear view of the inequities of Dutch colonial administration, believed this immediate post-war period presented a "special moment of innocence in history" and that the prospect of independence should be encouraged, as the British were doing in Burma and India.

Not surprisingly, Van der Post became unpopular with the Dutch, even after he had flown back to Europe to warn both the British and Dutch cabinets of the dangers of the situation. His hope was to hold Java and Sumatra "in a suspended

state of trust" for six or more months while the Dutch and the Indonesians worked things out.

It would not be possible to put back the clock: in the

THE ADMIRAL'S BABY
by Laurens van der Post
John Murray £19.99, 340 pages

words of one of Van der Post's local and senior friends, "The Japanese may have been the midwife of Indonesian nationalism, but the child is pure-bred Indonesian".

Fifty years later, Van der

Post allows himself to be candid about the folly of Dutch ambitions in 1946. He is still angry about Holland's hostility to Britain's role at a time when anarchy and civil war threatened, describing it as unpardonable and near-unforgivable.

Colonel Van der Post wrote about this episode only in a secret report to the Foreign Office; he then seems to have put the experience behind him. Rediscovering the report recently - he includes it here, in 75 pages - he had the excellent idea of returning to those months in a proper book.

Readers should be warned - or perhaps reassured,

according to taste - that *The Admiral's Baby* contains rather few of the sustained passages of flights of the spirit which have for years been the peculiar trademark of Van der Post's books. Here he is reporting, at last, on a distant experience.

I suppose he felt that he had failed. He left Java in June 1947, realising that the Dutch had a secret agenda to reimpose their will on their former subjects. There was no way of dissuading them; within the year there would be rebellion and, in the end, Indonesian independence. So maybe the Colonel didn't fail.

Charlotte Cory's third novel *The Guest* has a topical theme: it is about the hopes and expectations stimulated by lotteries. But it is more than a hitched lift on a bandwagon. Anyone might have had the idea of writing about winning the National Lottery, but this is in quite another league of invention. It conjures a small world of interlocking and complicated lives, juggles plotlines of breathtaking variety, and is quirky, tangential and daring with

narrative form. Once again it demonstrates how original and unclassifiable an author Cory is.

This story begins with the arrival in the small town of Knibden of a spinster, Hester Jones, who is newly liberated from filial servitude by the death of her mother. Hester has come there by chance: she bought a train ticket to a random destination, then boarded the wrong train in haste, and fell asleep only to wake up in a siding. Knibden happens to be the station she stumbles to down the rain-soaked track - in a great pile-up of chance that makes a perfect intro-

duction to the novel's theme. When Hester reaches Knibden she also stumbles into a central part in the execution of the terms of a bizarre will left by an unidentified guest at the town's main hotel; she is the stranger necessary to determine who in Knibden should inherit a fortune.

Knibden, it turns out, has made instant millionaires before. In its heyday, the Great Knibden Lottery was held here, and the town became a mecca for dreamers and no-hopers taking their all. Hester's task is the catalyst for a regeneration of the town, condensed with

Shakespearean bravado into three days, and for a clutch of darkly comic histories. Cory's characters are, as

THE GUEST
by Charlotte Cory
Faber £15.99, 432 pages

EVERY MAN FOR HIMSELF
Beryl Bainbridge
Duckworth £14.99, 224 pages

always, the most cavalier of murderers - until eventually all is revealed. Playing games with shifts in time and with narrative voice,

of her characters, notably of young Morgan, who had a hand in the design of the ship and moves in the glittering company of the first class deck.

There he undergoes a sea-change, graduating from callow self-interest with its capacity for small deceptions and boyish bad behaviour, such as getting drunk and being too noisy in the dining room, to a sense of social responsibility that allows him to play a heroic part in the final crisis.

The great strength of the book is its portrait of a class: the bright young things of 1912, who believe themselves, like the Titanic, to be unsinkable, and who play cards with superior insouciance long after the crunch of the iceberg until all the places in the lifeboats have gone. Their world goes down with the ship.

Great pile-up of chance

Fiction/Nicolette Jones

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ARTS

Angels to uplift the spirit

William Packer admires the astonishing invention of Tiepolo's work

Giambattista Tiepolo was born 300 years ago in Castello, the poor, unfashionable eastern-most of the six sestieri into which Venice is divided. He grew up to become the last great painter that the city produced in its final great burst of creative energy before Napoleon's dissolution of the Most Serene Republic in 1797. Received wisdom may have it that 18th-century Venice was otiose and decadent, frittering its way to oblivion at the *ridotto* and the Carnival. But we should remember that this was also the Venice of Vivaldi, Albinoni, Goldoni, Piazzetta, Canaletto, Guardi, the Venice of the building of the Gesuati and the Pietà, the Palazzo Grassi and Rezzonico, and the ill-fated Teatro Fenice.

Tiepolo was something more than merely the outstanding painter of that remarkable age. He was also heir to the great artists of the 16th, Venice's golden century, to Tintoretto, Titian and Veronese. Whatever the obvious differences between the high Venetian renaissance and the late-Baroque, he stands as their equal by the scale and ambition of his work, its technical facility and moral force.

Again, the long-held prejudice was that this could not be so, what with all those pert bosoms, flashing thighs and billowing angelic skirts which uplifted the spirit, if not the soul, as eyes soared ceilingwards through the longueurs of devotion. But to see the magnificent "Finding of Moses" from Edinburgh (c.1738), temporarily reunited with its flanking "Halberdier", or the allegory of "Neptune offering gifts to Venice" (c.1758), which was painted to replace a Tintoretto in the Palazzo Ducale, is at once to take the point.

But Tiepolo was no youthful prodigy. The earliest works at the Rezzonico are interesting rather than impressive - a tiny "Memento Mori" (1715), painted when he was 13; a coy "Susannah" (c.1723); a weirdly dramatic, faintly comical "Diana and Acteon" from the same period, with the doomed intruder evidently staggered by all that bare and unexpected female flesh. Yet already the wit and fluency are there and, in the "Abraham banish-

ing Hagar" (1722) something of the later monumental vigour and authority.

What is astonishing is just how suddenly those qualities arrive. By the time he is 30, Tiepolo is the complete master we recognise, even on the small scale of the charmingly funny "Apelles painting Campaspe" (1727). Like Rubens before him, he is as true to himself in the smallest study as in any of his great schemes. Quite what brought about this sudden maturity and mastery is hard to say - the shedding of the influence of Lazzarini, to whom he had been apprenticed at 14; the long study of Veronese that suddenly bore fruit; the association with fellow artists, notably the slightly older Piazzetta?

Whichever it is, from the late 1720s his career quite literally takes flight with an astonishing succession of decorative schemes, sacred and secular, for church and palace alike. For the most part he remained in Venice itself and the surrounding *terra firma*, but in the early 1750s he was at Würzburg, commissioned by the Prince-Bishop von Gräffenhain to decorate the Kaisersaal. His work there stands as perhaps his greatest achievement. Then, in 1762, he left Venice for good, drawn to the Court of Charles III at Madrid, where he remained until his death in 1770.

But, home or away, Tiepolo was always at heart Venetian. We see from the last work in the show, the Murillo-esque "Immaculate Conception" (1769), that professional that he was, he was quite happy to adapt his work to local taste. The small study for it is as true and natural as anything he ever did. And it is in Venice that so much of his work remains in the places for which it was made - the great ceiling of the Gesuati on the Zattere, the more intimate ceilings of the Scuola del Carmine, and above all the spectacular frescoes of the Palazzo Labia. In a very real sense, to know Tiepolo is to know Venice.

High above us at the Gesuati (1739), the vertiginous perspective soars to infinity. And the ideal, sainted creatures, from their precarious, airy eminence on cloud and terrace, peer down at us, far below, with a calm and mild curi-



Vertiginous perspectives soaring to infinity: 'Trionfo di Zeffiro e Flora' by Giambattista Tiepolo

osity. Down on earth, the lovely Arnida enchants Rinaldo in the garden (1745), flirting her skirts and pointing a fine long leg, cool flesh-pink and green against hot orange silk. The effect is subtle yet bold, tone and colour perfectly judged, the composition astonishing in its adventure and invention.

And though no drawings are shown, we see in every canvas that he is one of the greatest of all draughtsmen. The newly-restored Rezzonico is not really the best place to celebrate such a master. Some works are ill-lit or ill-hung. But in the face of these great and lovely things, it hardly matters.

■ Giambattista Tiepolo 1696-1776: Ca'Rezzonico, Venice, until December 8, then to the Metropolitan Museum, New York in the New Year; organised in collaboration with Skira, sponsored by Generali Assicurazioni, supported by the Corriere della Sera and Piccin Trasporti d'Arte.

French television/Andrew Jack Talking heads

Think again, if you imagine that French television consists mainly of groups of aged intellectuals earnestly debating the meaning of life until everyone has fallen asleep. There is a large dose of young shallow people casually discussing more light-hearted topics as well.

The undeniable constant is talk - and in vast quantities. In the first category come such specimens as France 2's *Cercle de Minuit* which goes on until 2am four times a week, as well as the *Bouillon de Culture* book programme, thoughtfully tucked away into that peak-viewing slot of 10.40pm on Friday nights.

Another example *Franchement* (frankly). Two journalists chose (or were offered) Alain Madelin, the economically liberal finance minister forced out of office last year within four months of his appointment, and now trying to rebuild his political career. He attempted to prove that he was "liberal" on everything else too, including cannabis, unrestricted immigration and gay marriages. His charming smile and bronzed features, helping his 50 years, suggested someone who was highly media-trained.

The presenters tried hard to stress the originality of their programme, dropping phrases such as "but speaking frankly" into every sentence, accepting such probing questions from viewers as why his nose was broken (a childhood skating accident) and even bringing on a culinary expert to grill him on his knowledge of tomatoes. But they failed to break that national habit of speaking at length and tolerating no interruption. Madelin talked out his interviewers with more than a little welcome self-deprecation.

But the highlight of the last few days was TF1's special on Brigitte Barlot, who withdrew from the media spotlight after 48 films a quarter of a century ago partly so she would be remembered for her youthful beauty. She betes the media but certainly uses it well, periodically re-emerging to defend the cause of animals or sport some regrettably racially intolerant views.

Ostensibly to celebrate her 62nd birthday, the real peg was publication of her memoirs, which have sold 300,000 copies in the last few days thanks to saturation "BB" interviews. The frustration of TF1's documentary on her life was that it happened in the early 1970s, and was compiled largely from previous interviews she had given over the years. But it provided plenty of insights, as well as some deliciously tacky examples of earlier television interview techniques - squatting hippy-like in a field, or answering questions over a champagne dinner as she drifted down the Seine in a boat. Maybe the modern French talk-show approach isn't so bad after all.

Each of Scotland's concert orchestras has begun the season with a new chief conductor, and of the newcomers, Joseph Swensen at the Scottish Chamber Orchestra has the most to prove. Compared with Alexander Lazarev and Osmo Vanska, his counterparts at the Royal Scottish National and BBC Scottish orchestras, Swensen has modest experi-

Concert/Andrew Clark Inspired by Frankenstein

His opening programme certainly played to his strengths. Mozart's *Symphony No 35* and *Piano Concerto No 24*, with David Golub an urbane soloist, were alert and polished in a pre-authentic way. But the focal point of the programme was the world premiere of Sally Beamish's *Monster*. Beamish (b.1956) has come into her own as a composer since her move to Scotland seven years ago. Like her other recent works, *Monster* is immediately arresting, worked out with ingenuity and distilled with an unmistakable sense of pace and direction.

It is the third of four City of Glasgow commissions pairing a composer with a creative artist from another art form. This is a risky formula: one wonders what James MacMillan will make of Craigie Aitchison's sculpture later this season. Paired with the writer Janice Galloway, Beamish landed a more conventional challenge, but she has responded with a work of thrilling ambition.

Monster is a 30-minute "waking dream" - an impressionistic telling of the early life of Mary Shelley, creator of *Frankenstein*, and simultaneously an attempt to conjure some of the

images of the book. The principal roles are given to a narrator and singer - the one matter-of-fact, the other a voice of poetic fantasy - whose contributions are dovetailed, doubled up and heard in isolation.

The orchestra's role is more than supportive: Beamish creates an atmosphere of loneliness and suspense through tingling bursts of percussion, wistful oboe and viola obbligatos and dark, dramatic tutti flourishes. The temptation to indulge in hysterical outbursts must have been great, but Beamish maintains an imaginative control, even incorporating the ominous tread of the monster himself. The soprano Lucy Shelton and narrator Catherine Russell, ably supported by Swensen and the SCO, made the most of their material.

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Radio/Martin Hoyle Fifty years on Three

The wonder is that the Third survived. There was always a vagueness about the station's demarcation lines. The very first night included the satirical *How to Listen*, with Joyce Grenfell and Stephen Potter, and spin-off from comedy experiments would include the *Goons*. Meanwhile *Early Music*, series such as *Living Writers* - Evelyn Waugh characteristically borrowed his butler's wireless to hear John Betjeman talk about him - and the concatenation of talents like Dylan Thomas (*Under Milk Wood* remains the best radio script ever written), Louis MacNeice, Douglas Cleverdon, Giles Cooper and Donald McWhinney ensured the station's identifiable personality: enough to resist cuts that started as early as the Third's fifth month of existence, when Emanuel Shinwell closed the station to save power. Enough to spark emulation in France, Italy, Germany and the US. And enough to win round the maimed British institutions, when the axe was poised even the popular press has rallied round.

Carpenter takes time out from history to dwell on some of the glories - including Samuel Beckett's doubts and pleasures over *All That Fall*, broadcast last Sunday. The Henry Reed saga, a *claf* of British cultural life about the composeress (Dame) Hilda Doolittle (which prompted Elisabeth Lutyens to consider legal action) are pleasingly recalled. Among the figures brought on by the Third there is surprisingly no mention of Muriel Spark, something of a radio discovery.

Inevitably the book, though admirably unbiased, suggests comparisons and poses questions. Nicholas Kenyon, currently the amiable controller, does seem to have acted swiftly and repented at leisure in one or two matters (the disgracefully clumsy sacking of some of the best-loved voices in continuity, for example). The Gambaccini fiasco was an even graver error of judgement. But Kenyon is the latest victim of philistine meddling from above - of which there have been terrible examples in every decade. What is alarming is not the absence of nostalgia for past

excellence. By definition excellence will attract a minority. Not necessarily enobish, not elitist, but bloody and almost bested in an age of tabloids, soundbites and populist witch-hunts against art. Carpenter's book touches on the sad conclusion that the post-war thirst for culture among the generation that had left school at 14 has been sated. A popular culture has found its level; and it needs no cultural spirit-level to see that Radio 3 is still on a different plane. Instead of apologising for it, the BBC should, in the best British tradition, live with the embarrassment of having created something excellent.

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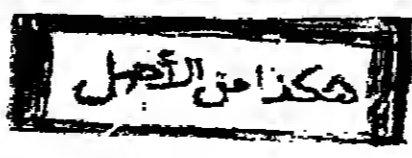
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ARTS

A very English buffoon

P.G. Wodehouse's war record has been partly exonerated, writes Antony Thorncroft

P.G. Wodehouse has gone down in history as the perfect Englishman: his creations, Jeeves, Bertie Wooster, Lord Emsworth, the epitome of Englishness; his writing, all that is best in the language. So much greater the shock, then, when this saintly figure should be pilloried as a Quisling, a catspaw of the Germans during the second world war.

The rumbling row over Wodehouse's wartime activities was resolved this week when the secret files of the time were released by the

It should be possible to admire the creation while holding the creator at arms' length

Public Record Office. Was he a glibble idiot for broadcasting from Berlin at the Nazi's bidding in 1941, or a self-seeking traitor? The files enable Wodehouse's supporters and detractors to claim an honourable draw.

The official view, according to the newly-released papers, was that rather than an outright traitor, Wodehouse was "a silly ass with no political sense". It was a description with which "Plum" would have heartily agreed. After the war Whitehall wished he would just go away - which he did, spending the rest of his life in the US. The files support the Wodehouse lobby in stressing what a political miscreant he was; but they also back his detractors in suggesting that he had a venal streak.

Wodehouse and his wife

Ethel were enjoying their leisurely existence at Le Touquet in 1940 when it was over run by the Germans. Wodehouse was arrested and sent to Berlin where he agreed to tell the American radio audience about his experiences as a prisoner of war. In typically self-deprecating terms he described a fairly lax regime which became positively luxurious after the broadcasts. The Wodehouses ended the war at the Hotel Bristol in Paris where he proved an uncomfortable find for the conquering Allies.

The file suggests payments to Wodehouse by the Germans; the couple certainly enjoyed a soft war. The home secretary Herbert Morrison summed up the Establishment feeling in true Churchillian terms by writing in the official file "if the rat has enough intelligence to leave a sinking ship I should suspect he must have enough intelligence not to put himself within the jaws of the British mastiff".

The Daily Mirror columnist Cassandra took the populist view which was more robust, advocating that Wodehouse be brought to trial. Of course time heals and in 1975, a few months before he died, prime minister Harold Wilson gave Wodehouse the knighthood that he coveted. But for decades after the war Wodehouse was definitely below the salt.

He never used his wartime experiences in his fiction. But then one of the many peculiarities about Wodehouse is that his fiction was almost totally a product of his imagination. This quintessential English public school boy left the UK as soon as he achieved financial lift-off. Wodehouse sat out the first world war in the US where he remained for most of his life, apart from forays to the continent. The



Plum Wodehouse in his study: he has been proved more unpleasant than his image, a political nincompoop with a venal streak. Camera Press

England that he described so idyllically in his comic novels was filtered through distance, time, and wishful thinking.

Another oddity is that although his most famous creations, Jeeves and Bertie Wooster, inhabit a world of aristocratic ease, Wodehouse himself was of good middle-class stock, the family money coming from trade. The Dulwich schoolboy was destined for a City bank rather than Oxbridge. He worked on the City for a few years before his public school stories earned him enough to become a writer.

Wodehouse would have been totally out of his depth in Blandings Castle and petrified by the behaviour in the bar of the Drones Club. The characters closest to his heart and experience are Esme and Ukridge, young men of uncertain background and on the make.

But the greatest mystery about Wodehouse is his presumed innocence. Certainly he never wrote a word that might frighten the horses - sex is non-existent in his

output of almost 100 novels; death hardly ever happens. His private life seems equally escapist - Ethel protected him from the world. She even provided him with a ready-made family, a daughter from her first marriage. The myth is that Wodehouse did not exist outside his study and his merry, unworldly, fictional existence.

Yet this was a man who worked with most of the greats of the Broadway musical, co-operating on numerous hits. It would be impossible to remain an innocent in this rakish Manhattan atmosphere. And for all his otherworldliness Wodehouse was always keen on his royalties.

Plum Wodehouse was as nebulous, as ephemeral as the worlds he created. This assumed lack of contact with reality enabled him to justify his behaviour in Berlin to himself. After the war he took "a silly old me" attitude to the broadcasts. In turn such self-deprecation per-

sued the British public to take him to its heart again. Jeeves and Lord Emsworth were snapped up by the broadcasting media.

But writers have always been excused from real life. It is accepted that their works speak for them. During the respectable decades of the 19th century the most esteemed writers - Dickens, Wilkie Collins and George Eliot - all led very irregular private lives. More recently, supporters of Philip Larkin, the misogynist, and T.S. Eliot, who had ambivalent views on Jews, have seen off critics who go for the man rather than the work.

In truth the release of the Wodehouse files this week show him to be a more unpleasant man than his image. His opinion was that, individually, many of the Germans were charming, a liberal view that cut little ice in global war. He must also have been touched when they described him as "the English Goethe". He shamelessly went along with their suggestions. He hid behind indolence and childishness,

but benefited as a result. The Germans obviously forgave, or forgot, Wodehouse's brief foray into Hitler de-bunking. In the novel *Code of the Woosters* he lampooned a fascist leader, Roderick Spode, the putative head of the British "Blackshirts". Spode was ridiculed for dressing his supporters in baggy shorts. Spode's greater weakness, leaked by Jeeves to Bertie Wooster to get his young master out of the inevitable scrape with the bullying Spode, was that the great leader earned his money by designing ladies underclothes. But Wodehouse was just making a joke out of a frightening situation, going for the easy laugh.

None of this detracts from the fact that he was one of the finest novelists in English of the century, and that his work has given more pleasure to more millions than most other recreational activities of our time. But it should be possible to admire the creation while holding the creator at arms' length.

Opera/David Murray

Gluck reduced to cartoon sniggers

Scottish Opera staged Gluck's *Alceste* last spring, Mark Morris staged *Orfeo* for the Edinburgh Festival, and now Opera North has revived his *Iphigenia in Aulis*, the 1774 opera with which he established a beachhead in Paris.

As the title indicates, Opera North sings it in an English version: flat, modern and anonymous, not attempting to capture the tone of du Boullé's French libretto, still less of the Racine play which inspired it.

That is of a piece with Tim Hopkins' new production, which reduces the action to snide cartoons. The chorus of Greeks, Thessalians and slaves wear summer-suburban motley - sunglasses, shorts, little headscarves, which must explain why "Ladysmith Bayswater" is listed among the costumes.

The principals are quite differently and peculiarly garbed, in tacky tunics and smocks from some Neverland; but Hopkins has drilled them, too, in stiff ritual gestures that seem to parody old-fashioned provincial operetta.

Nigel Lowery's set, like most of his sets, neither invites nor repels performing, for it is an arrangement of planes and solids that wants to be admired for itself; a stage design student's end-of-term exhibit.

The only part of it that is dramatically functional is a front-drop which crashes down in the middle of the overture, functioning as a rude distraction and sporting giant lottery tickets; this, as eventually we realise, is how Hopkins understands tragic Fate in *Iphigenia*. By the end, the whole chorus is waving tickets about.

The Swiss conductor Valentin Reynold gets an

efficient, very well-rehearsed account of the score from the Opera North orchestra - brisk and somewhat unrelenting, but not insensitive, though any of the singers might have for lyrical expansion is kept on a stern leash. In the circumstances, they coped rather well, even managing to screw up some dramatic excitement in the later confrontations.

Eyes rolling wildly, Christopher Purves sang a

The director seems to understand tragic Fate as a giant lottery

strong Agamemnon. His daughter Iphigenia, the doomed sacrifice (the gods' price for allowing the Greek fleet, becalmed in Aulis, to get on their way at last to Troy), was delivered in fine spirit on the first night by Lynne Dawson, not quite recovered from a throat infection. There was much honest feeling in Neil Archer's Achilles, Iphigenia's betrothed, and as her mother Clytemnestra Della Jones compensated for now-threadbare tone with a dauntlessly energetic attack.

John Rath's high priest Calchas, got up as Richard O'Brien in *The Rocky Horror Show*, conveyed notable obsessive power. All in a void, of course; the production regularly drew deflating sniggers, as presumably it was meant to do. I think this kind of jape should be reserved for university experiments.

Further performances at Leeds on October 5, 9 and 11; later in Manchester, Nottingham and Sheffield.

Theatre/Ian Shuttleworth

Weird - the definitive version

After his several previous one man shows, Ken Campbell destroyed the world of solo theatrical weirdness like an improbably sculpted Colossus. *Violin Time* has been seen over the last year or so in various stages of development, but this - we must assume - is the definitive version.

As such, naturally, it bears only a tenuous relation to the definitive version recently publicised by Methuen: were he to perform that text in its entirety, Campbell assures us, it "would take as long as War

and Peace and then a bit of the War again."

At first on the press night he was a little uneasy and hesitant, perhaps believing the sentiment he jokingly attributed to Richard Eyre that this show would have "to be even better than [the critics] said your last one was."

To an extent also, *Violin Time* assumes that the "seekers" in the audience will be familiar at least in passing either with Campbell's style or the oddities he addresses - which in this case include est therapy, the conspiracy to force confeder-

ation of Newfoundland with Canada in 1948, the Cathar heresy and ferrets. He also touches on interplanetary reincarnation... Never mind which planet he may have been on in a previous life. It is mind-boggling enough to speculate which planet he is on in this one.

Somehow, though, he manages to draw all these areas (and several others) into a narrative which, if not exactly coherent, is crazily compelling and enormous fun. He has a magnificent ear for phrases which sound inherently absurd, talking about writing "notes to some

music" and explaining the name of his musical accompanist, Thieu-Hoa Vuong (who doodles quietly away on her violin at certain times, interjecting musical "sings" at appropriate points in his ramble), as being "pronounced like the question to which the answer might be 'coffee', 'tea' or 'Wha?' and surely there can be no more infectiously funny sight than Ken Campbell's face creasing into a mask of incredulous hilarity when confronted with an unexpected and peculiar turn of events.

Violin Time is the funniest of his shows on the page. In performance, it is impossible to convey the infinite regression of footnotes, or - as he acknowledges - to take the time to recount his entire tale of semi-romantic attachment and spirit possession (Imagine if Foucault's *Pendulum* has been written by Ken Dodd instead of Umberto Eco).

It may not be the best point of entry into Campbell's oeuvre - which is probably 1984's *Mystery Bruises* or the compendium show *Theatre Stories* - but for anyone in search of the mental equivalent of a fair-ground House of Fun, Campbell's premises are the original and best.

At the Cottlesloe Theatre, London SE1, until November 2 (0171 928 2252), then Stephen Joseph Theatre, Scarborough from November 7-9 (01723 370541)



Crazily compelling and enormous fun: Thieu-Hoa Vuong and Ken Campbell in 'Violin Time'.

A pioneering prize for composers announced

In the interest of finding new works for symphony orchestra "which combine artistic integrity with broad and lasting appeal", the merchant banker and author John McLaren has engineered a ground-breaking competition. Masterprize. BBC Radio 3, BBC Music Magazine, the London Symphony Orchestra and EMI are all collaborating.

Masterprize is for works of

for a normal large orchestra. It is open to anyone, worldwide, without age restrictions; entrants must register by the end of February next, and their scores must be submitted by the end of July. (Entry forms from Masterprize, PO Box 12743, London NW6 6WR.) The first

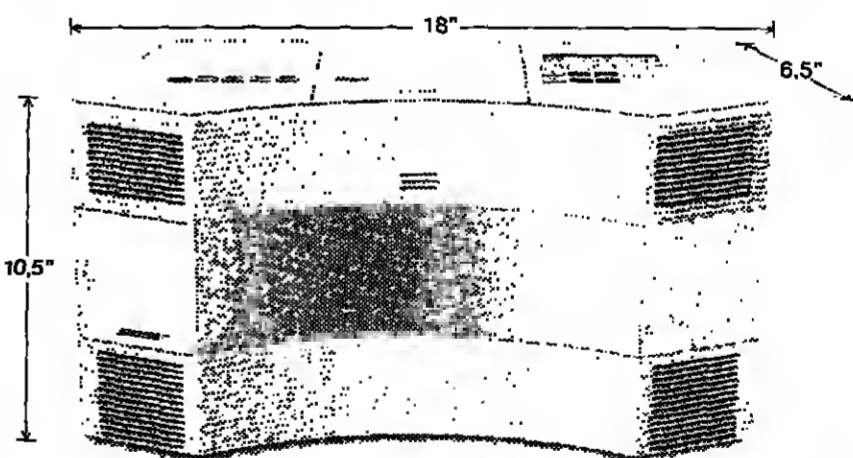
April 1998 - is £25,000, and there are smaller prizes for the other five finalists.

More important, though, are the other arrangements. Fifteen shortlisted works are to be performed by BBC orchestras and broadcast next autumn on Radio 3. The leading one will be recorded

broadcasts, on a CD which will go out with BBC Music Magazine in March 1998. Readers will participate in the final voting, along with a gala jury and the members of the LSO itself; and EMI will release a CD of the winning work. Has a composition-contest ever offered such opportunities? Masterprize is a splendid plan - and it should find itself swamped with entries.

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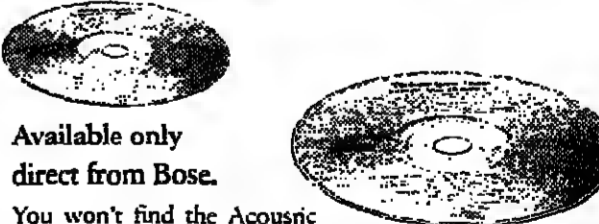
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COLLECTING

Revival in the Cotswolds

At last, 1996 is delivering an upturn in antiques trading, says Antony Thorncroft

Antique dealers are congenitally pessimistic and inherently secretive, but a quick trawl through the Cotswolds reveals that the second largest community of dealers outside of London is surprisingly sanguine.

If there is not yet a spring in their step there is at least a gleam in their eye. After six poor years, and any number of false dawns, 1996 is at last delivering an upturn in trade. For one Cotswold dealer, August was his best month ever, and many had their best August in years. The improvement has continued into September. What makes this startling is that the summer months are usually the quietest.

The revival is hardly surprising with a bullish stock market and rising incomes in the UK and in the US (still a large buyer of British antiques); some sort of solution to the Lloyd's insurance crisis; and, most of all, a revival in the housing market. Now houses are changing hands again, the new owners are keen to fill their homes with local antiques.

Roger Lamb, of Stow-on-the-Wold, who operates on the principle of small margins and high turnover, recently sold a set of chairs as he was carrying them from his car into the shop. He concentrates on popular 18th century furniture, such as chairs and small tables, priced at under £5,000. He is so happy with his three years in the Cotswolds after decades dealing in London that he is buying another shop in Stow.

Stow is undoubtedly the centre of the Cotswolds' antiques trade, with nearly 30 shops of varying pretension. Some cater for the trippers; some offer a range of

the traditional - mainly 18th century furniture; a few specialise. Michael Golding of Huntington Antiques, for example, is probably the UK's leading dealer in pre-18th century furniture, mostly domestic, some religious. Here, you can acquire a vast vestments chest, made around 1500 for a Catalan cathedral, for £75,000.

It is not to everyone's taste but a sizeable number of the world's rich compete for these rare objects, which, compared to fine paintings, are still remarkably inexpensive.

Another specialist in Stow is John Davies, one of the few important picture dealers in the Cotswolds. Davies has laboured long trying to harden up local taste, which still favours sporting scenes and decorative art, and is staking much on his next show. It starts this weekend and features David Prentice's watercolours and oils of the Malvern Hills range, from the picturesque to the modestly abstract.

Even traditional antique dealers in Stow, such as Christopher Clarke, have learned to adapt during the recession, partly by trading in lower priced antiques (mainly under £5,000) but also by specialising.

Stow is the essential magnet for committed antique hunters who know that a visit to the Cotswolds not only offers the largest array of antiques outside London but also antiques at more modest prices. With operating costs at least half those of their rivals in London the dealers in the Cotswolds can afford to trade on narrower margins, often with a 30 per cent maximum mark up. Traditionally the Cotswolds was the happy hunting ground of the trade, both UK and American, but these



David Prentice's Snowdon-Llanberis Railway in Oil

well established William Stokes and Rankin Taylor. Stokes concentrates on English oak and has noticed a substantial upturn in interest in the past year. He has on offer a James I dresser priced at £19,500 which he sold 20 years ago for £2,000. Leslie Taylor manages to attract a bewildering range of appealing antiques, mostly pre-dating 1800. There is a 17th century ornate box for £3,500; a magnificent late 18th century horn carving knife for £880; and an undatable pub game involving iron hoops for £375, plus hundreds of unusual objects.

In contrast, Broadway is in danger of being swamped by tourists. Just outside the town is John Noot, the Cotswolds' biggest picture dealer. In his home-converted gallery hang hundreds of decorative paintings from the late 17th century to the present day, mainly priced between £500 and £15,000.

Noot has noticed an increase in buyers, and prices, in the past year but still thinks the work of the artists of the 1940s and 1950s are much under-priced.

One gateway to the Cotswolds region is Witney, which is again attracting new dealers. Harveys of London has just moved from Bond Street to the town and on October 28 holds its first exhibition of period furniture, arranged in room settings.

Close by is one of the grandest shops in the Cotswolds, Witney Antiques, which, as well as holding a large stock of needlework, sells 18th century furniture. That is the appeal of the Cotswolds; in a concentrated area of great natural beauty there are choice objects from the past to appeal to every eye and to most wallets.

days it is the private buyer who keeps the dealers in business.

Jack Baggott, the doyen of Stow dealers, reckons that he has seen a 30 per cent increase in private business since 1989. There are problems with private buyers - they tend to expect the discount traditionally reserved for the trade. But Baggott is learning to stick to his quoted prices and to build a regular clientele by offering a comprehensive back-up service.

Burford is Stow's main Cotswolds rival, with numerous antique shops tumbling down its precipitous main street. They, too, seem happier about business this year. Dominic Pratt of Swan Antiques says that there is an increasing shortage of exciting objects at reasonable prices: anything rare

and good is already commanding a premium of up to 20 per cent over a year ago.

Burford has its specialists, notably Manfred Schotten, the leading sporting antiques dealer in the UK, and Richard Furdon, who dominates the field of pre-1870 antique carpets and rugs.

On the edge of Burford, Gateway Antiques offers one of the largest selections of mainly 19th century furniture in the region, all modestly priced. The only factor holding back sales is the shortage of restorers needed to transform the desks, chairs and chests of drawers to pristine condition.

Along with Stow and Burford, Cirencester, an attractive town, is enjoying something of an antiques revival, with new dealers joining the

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James Morgan

Divided we stand, united we falter

We should remember a truth that is too often forgotten: if you wish to separate nations, try to draw them together

New readers begin here: President Jacques Chirac upset the apple cart when he told textile workers in the Pas-de-Calais that they did not have to worry about their jobs being under threat from south-east Asia. Italy was the real menace because it devalues its currency. He then added that it was not likely to be among the first to join the single currency.

told how the prime minister, Romano Prodi, had called in the French ambassador. It produced a mock war communique, dated October 1. The paper's editorial argued that Italy was now pitted against not only France but Spain as well: the latter's prime minister, Jose-Maria Aznar, had told the *Financial Times* in an interview on Monday that he had at one time rejected an Italian proposal to delay monetary union. The Italian foreign minister, Lamberto Dini, was annoyed by this public leak. In Madrid *El Mundo* replied:

"Italy criticises Aznar and Chirac and denounces the plot against the lira." It concluded: "The race to Maastricht divides Mediterranean Europe." And so it was that *Repubblica* concluded the whole thing had to be settled by Chancellor Helmut Kohl of Germany, because "the construction of Europe largely depends on his will". Thus we are reminded of the great truth that is so often forgotten: if you wish to divide nations, try to unite them. But the Italians are wrong to believe that the Germans can do it. Germany is in no position to

adjudicate on who will join the monetary union (British Eurosceptics can sleep peacefully) for Germany is itself divided. While many Germans would like to keep everybody out, Kohl himself would probably like everybody in. His Europhile colleagues argue that the most important Maastricht criterion is the one that says any country's suitability will be decided by taking "into account all relevant factors, including the medium term economic and budgetary position of the Member State". The great debate in Europe is that between the fundamentalists and the "flexibilists", between those wishing to keep strict rules and those who emphasise the trend. Most of the German government seems to be fundamentalist. But the Bundesbank often takes the view that any fool can balance the budget in a single year, but keeping things in line over the long term is more difficult.

The lack of clarity creates an explosive situation. Let us say you are running a country which, for the sake of argument, we shall call France. You have spent years wrestling with immense budgetary problems. You have used every device known to man to meet harsh targets, such as grabbing the telephone company's pension fund and calling it budget revenue. You have seen the mob on the streets. Eventually, on the appointed day you reach a budget deficit of 3 per cent and a public debt of 60 per cent. Imagine how it then feels when along comes Italy, hands in pockets, budget in a mess, and says that he may not actually have got there but he would one day, quite soon. And then there appears the Belgian who has done nothing at all but squeezes

through the door because Brussels is, after all, the capital of Europe, if of very little else. You would feel a little piqued. The Germans cannot settle this problem and not only because they have no united view. They cannot settle the admission process now when it is not due to start for another year or so. And once the rules are clarified there will be immense bitterness somewhere or other.

Why should Kohl face that alone? James Morgan is BBC World Service economics correspondent

Lunch with the FT

Attali and the global labyrinth

Over oysters and sea bass, Lucy Kellaway learns about one of Europe's most controversial public figures, the former president of the European Bank for Reconstruction and Development

Dear Mr Attali, I would quite understand if you had no wish to have lunch with the *Financial Times*. However, I should assure you that readers of the *Weekend FT* are intelligent people who are interested in articles about intellectuals...

It was a nice try, but I was barely expecting a response let alone an acceptance from Jacques Attali. After all, it was this paper's unflattering coverage of his private jets and the quantity of Venetian marble in the headquarters of the European Bank for Reconstruction and Development that cost him his job as president of that bank three years ago.

Yet barely had I sent the letter than I received a fax saying that Attali would be willing to have lunch, so long as I came to Paris. London, he explained, was not his favourite place.

It was a beautiful autumn day as I strolled along the Champs Elysees on my way to Chez Edgard. Inside, the restaurant was dark red, traditional. In halting French I told the fat madame at the door that a table was booked for two in the name of Attali. Jacques Attali? she said, her face expressing admiration, awe.

A little later, Attali hurried in, hair swept back, looking pleasantly scruffy, a sprinkling of dandruff on the shoulder. "Champagne?" he asked. That would be lovely, I replied.

Attali surveyed the busy surroundings and greeted a couple of friends. "Actually I am, in a certain sense, the origin of the success of this place," he said, his accent heavy and his diction idiosyncratic.

"I'm sure you remember the *Rainbow Warrior* saga," he continued. "The minister of defence was a very close friend of mine - he had to quit. I was not happy about it. I wanted to say we are still very good friends. So Attali, who was then adviser to President Mitterrand, phoned Chez Edgard, a well known haunt of journalists. He told the patron that the two of them wished to be seen eating lunch there that day. Thus, a tradition was born.

"This is not the best cooking in Paris, but it is not very expensive. If I had invited you I would have taken you somewhere else, but this time you are inviting me." He picked up the menu and turned past the *prix fixe* to the *a la carte*, and chose oysters and sea bass. Our orders were taken by *le patron* himself, who greeted Attali like a long lost friend, and shook my hand with considerable enthusiasm. "You like fish?" he



Jacques Attali: 'people are not happy to see someone who has two or three lives'

asked and suggested that I too had the sea bass. Noticing that it was FF190 (£25), and being a cheapskate, I said I'd have the tuna, which was only FF115. "What is your competence, if I might say so?" asked Attali once the orders had been given. Somewhat at a loss, I described my job on the FT. In return, I asked him about his brand new book, an abstract volume

called *Chemins de Sagesse, Paths of Wisdom*. "The book is about labyrinths globally," he explained. "In the 19th and 20th centuries ideologies ran along straight lines, but now we are back to a time where the labyrinth is the way of organising nature, literature, management, decision making, organisations, biology." Are you saying that things

are more complicated now, I asked, struggling to understand. He gave a Gallic shrug. "You can say that. But labyrinth is much more than complexity. It is a metaphor of human creation. The qualities which are needed to go through the labyrinth are the qualities needed for the 21st century. These are: 1. When you are alone you are not lost. 2. A failure is not a failure but a

success. 3. Memory. 4. Minutes. 5. Intuition. 6. Dancing." Not knowing how to reply to this bizarre list, I asked whether he himself possessed these qualities. "I didn't even think about it. It's not about self!" He seemed exasperated at the question. How are sales going, I asked, in an attempt to shift the conversation to more

solid ground. He said the book had sold 50,000 in the first 10 days, which is par for the course. Many of his 25 books, he informed me, have sold more than 100,000 copies. People like Jacques Attali do not exist in England. The English do not believe it is possible for someone to be a world authority on any subject they turn their hand to, and distrust anyone who tries. But in France they also seem to have doubts: Attali has become almost as famous for allegations of plagiarism as for the books themselves. I watched him suck an oyster off its shell, and ask if he had developed a thick skin.

"One of my weaknesses is that when I read something I think: how can they say that? and then afterwards I say: maybe they are right." Unable to resist, I asked if he now thinks they were right about the EBRD marble. "Of course not!" he replied.

Would the same thing have happened in France? "Certainly not!"

He has rationalised that unhappy chapter in his life by putting it down to macro-economics. "I can explain it to you. The reason is the elite is supposed to change when there is not full employment. The judges in the media play the same role as the guillotine played in the French revolution. But the guillotine was irreversible." He gave a broad smile, pleased with his joke. So is it a huge relief to be a writer, and no longer a manager?

"Writing books is a very small part of my activities," he corrected me. "I do not know how many other things I do. I cannot count them all. What I like is to create things, I create books, I launch projects. When I was with Mitterrand I launched a lot of things. I launched *Banqueland*. I launched *La Grande Bibliothèque* in Paris which is my child."

I had lost him. "I am not relieved to have left the European Bank," he went on. "I am happy to have created it. It is the difference between designing a plane and being a pilot on a commercial airline. I happened to be - unwillingly - a trial pilot. But if I was doing it again, I would do it exactly the same."

Our main courses arrived. I had been given sea bass, whether I liked it or not. I did not dare complain: in any case the fish was delicious. Writing may only be a

small part of the whole, but no fewer than three projects are reaching completion. "I have just finished a play, I'm very excited about it. My next book is a novel, that is almost finished. I am working on a book about futurology - the world in 50 years. And - er - that's it. For the moment." He paused and added: "Plus, of course, some screenplays."

A waitress asked if we would like pudding. "I should not because I have to lose weight," he said and went on to order a *glace noisette*, one of the most fattening dishes on the menu. While I dithered, he leaned across the table.

'I do not know how many things I do. I cannot count them all. What I like is to create things.'

"Sorry, you have something in your hair." With charm, he executed the potentially embarrassing task of removing a twig from my fringe. "I am teaching futurology at the University of Paris," he continued, "and writing. I am involved in French politics, advising governments in East Europe, Latin America, Africa. I am also advising companies on international strategy, mergers and acquisitions..."

I protested that all that is too much for one man; he attributes such disbelief to envy. "People are not happy to see someone who has two or three lives." And has he

become good at dealing with so much envy? "Yes. Boff he pointed. "Of course. When people realise next year that there is going to be a play..." he paused anticipating the reaction.

"I will be thrilled when I see it. One of my best feelings as a creator, was being backstage, when a very famous French singer was singing a song I had written for her."

Songs too! It turned out that Schumann had written the music, he only did the words. "Could he do the music too?" "Boff!" he said again. "I haven't tried."

He is able to do so much because he sleeps. Three hours a night. "Yesterday I worked till 2am - I got up at six to write and had a meeting on genetics at nine." He gave another broad grin, as if disarmed by his own energy.

During the lunch, he revealed little love of Britain or things British - they do not like ideas; they think "dream" is a dirty word; our journalists lie - but would not be drawn into being openly disparaging.

"I like London. I like the music. I wouldn't say anything else, but music." His social life apparently left something to be desired when he was there.

He then expounded a theory about London being uncivilised because it lies on only one bank of the river. I demurred, but he took no notice. "It is a fact," he said. "I collected the bill and we prepared to leave..."

Outside, his chauffeur was waiting to drive us a few hundred yards back to Attali's office so that he could give me a sample of his recent books, including a promising looking children's story. As we parted, a look of unease crossed his face. "This is not another FT trick?" he asked. "No," I assured him. "It is not."

Peter Aspden

Moving millions carries no merit - yet



It is almost embarrassing to recount to my younger colleagues, but when I was a teenager, I once queued for more than 24 hours to get a ticket for a rock concert. It had not been my intention, but lines of fanatics started pitching up tents in the High Street about two days before the local theatre's box office opened and I decided to join them, only semi-reluctantly.

My friends and I were lucky; we showed up in the lobby of a shoe shop. We lit candles, strummed acoustic guitars and admired the latest range of platform-soled footwear long into the night. It was the spirit of Woodstock, filtered through the eyes of a schoolboy, of an

the vibe was good. We were off to see Bob Dylan. I was in prophetic mood. I pronounced that in 20 years or so, we would be wearing the very same shoes we were studying with such intent, Latvia would be playing Estonia at football, and Dylan would win a Nobel prize. To give you some idea of our devotion, it was only the first two parts that did not convince.

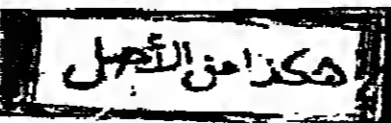
But the final part of my prediction was on the brink of becoming reality this week when Dylan was unsuccessfully nominated for a Nobel prize for Literature by a professor at an American military institute. I pointed this out to my younger colleagues, who are so fast-moving that they have never spent more than 30 seconds in the lobby of a shoe shop, but they continue to be devotees.

carefully this week to champion the singer's cause: "if the question is does anybody use words better than he does, then the answer in my opinion is no." His point is well-taken. Dylan used words like no one else had done. There had been symbolists, surrealists, protest singers and pop stars; more elegant writers, and certainly better singers. But not all at once. Dylan did something new with words, and became instantly successful; and there, perhaps, was his downfall.

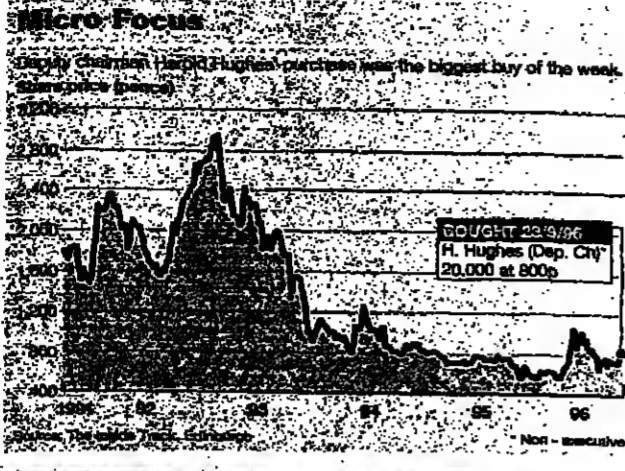
It seems that we can acknowledge the merit of those who become associated with pop stars - Peter Blake, who currently has an exhibition at London's National Gallery; or Beatles producer Sir George Martin (a curious choice - Paul McCartney's is surely the most overdone knight-hood in Britain).

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WEEKEND INVESTOR



Micro Focus: The former Soviet Union is not my flavour of the year - we are seeing the lull before the storm, says Jim Rogers

Table with columns: Company, Sector, Half year to, Pre-tax profit (£000), Interim dividends per share (p). Lists various companies like Altrust Euro Index, Albany Inv Trust, Ash & Lacy, etc.

Last week's interim results

Table with columns: Company, Sector, Half year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like Altrust Euro Index, Albany Inv Trust, Ash & Lacy, etc.

Results due next week

Table with columns: Company, Sector, Announcement Date, Last year interim, Dividend Final, This year interim. Lists companies like China Inv & Dev, Credley Group, Lyons Irish, etc.

Last week's preliminary results

Table with columns: Company, Sector, Year, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Lists companies like Anglo United, Anglo, Anglo, etc.

New issues

Hotels, the second largest hotels group in the UK, became the latest in a string of them to float when it announced its listing price of 170p on Tuesday. This was at the bottom end of the previously indicated range of 170p-210p, and valued it at £1.05bn. This aims to raise £250m of new money, to redeem convertible loan notes. But the float received a cool welcome from institutional investors. The shares closed unchanged at 170p after the first day's trading.

Rights issues

Brooke Tool Engineering is to raise about £4.5m via a 1 for 10 at 125p rights issue. Cairn Energy is to have a 1 for 3 at 350p rights issue. Celtic International is to raise £1.1m via a 3 for 20 at 100p rights issue. European Leisure is to raise £11.4m via a 2 for 3 at 145p rights issue.

In the Pink

Avoid putting new money in an old empire

The former Soviet Union is not my flavour of the year - we are seeing the lull before the storm, says Jim Rogers

Jim Rogers, the former partner of George Soros, is a specialist in the world's emerging stock markets. History tells us that no empire lasts forever. A number of factors contributed to the breakdown of the Soviet Union, not the least of which was its effort to be a superpower on a third world budget. Relying on a wacky economic theory did not help matters, either. When an empire becomes unstable and lawless, a period ensues in which warlord fights warlord. Today, Soviet warlords include breakdown of central power, particularly during the crack-up of empires. History tells us that no empire lasts forever. A number of factors contributed to the breakdown of the Soviet Union, not the least of which was its effort to be a superpower on a third world budget. Relying on a wacky economic theory did not help matters, either. When an empire becomes unstable and lawless, a period ensues in which warlord fights warlord. Today, Soviet warlords include

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Weekend Investor

Wall Street It's a quarter of two halves

John Authers on three months that began with a whimper but ended positively

The basic unit of the American business calendar is the quarter. Not content with the more leisurely reporting regime allowed in Europe, companies are required to update the market every three months. The result is that corporate balance sheets and earnings prospects are under constant close supervision.

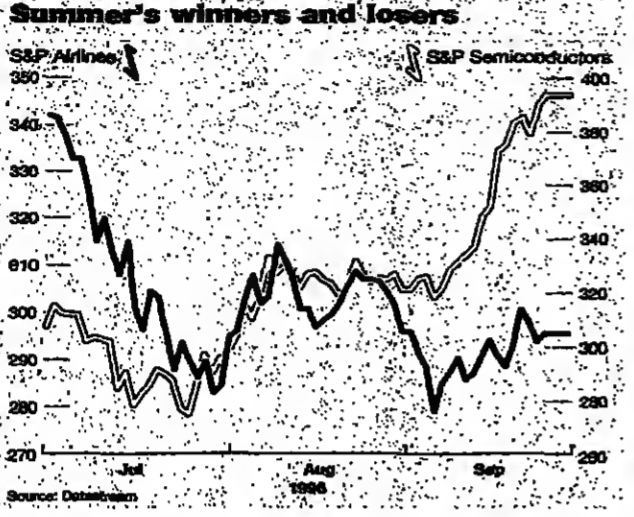
The cycle runs from a profits warnings season, as companies see before the end of a quarter that their results will be below analysts' forecasts, to a brief few weeks of frantic forecast updating, and then the results themselves. Thus, shares change hands on information which is seldom more than a few weeks old.

With the third quarter of 1996 ending on Monday, this week saw a plethora of press releases from small companies getting the bad news off their chests, and the beginning of a flow of revised earnings forecasts. But judgments on broader market trends for the quarter are possible. The most obvious, as soccer managers might put it, is that this was a quarter of two halves.

It opened in the middle of a long-anticipated correction which knocked about 10 per cent off the value of the entire market within two weeks. The Nasdaq, heavily weighted in technology stocks, bore the brunt; it was off 16 per cent by July 24 from a high registered at the beginning of June. But the broader indices fell as well.

Popular predictions were that institutional fund managers would mount a "fight to quality" and head for large, blue-chip companies, while small investors through mutual funds would leave the market altogether. Neither happened. Indeed, the S&P 500, arguably the broadest and most reliable market indicator, was up 3.09 per cent for the quarter.

Blue chips have indeed outperformed their smaller capitalisation rivals, with the Dow Jones Industrial Average posting a series of record highs in September, but the Nasdaq is also approaching the record it posted in June. And money continued to pump into the funds at huge levels, although somewhat reduced.



But the quarter did not present a uniform picture for all sectors. Semiconductor companies, makers of the building blocks without which the rest of the high-tech computer industry could not function, logged the highest gains for the quarter despite feeling the heat in July. The S&P 500 semiconductors index rose 25.15 per cent for the quarter.

Software companies (up 12.78 per cent) and computer hardware manufacturers (up 11.93 per cent) were not far behind. But they were beaten for second place by the footwear sector, which was boosted by a fortnight-long extended television commercial in July and August called the Olympic Games. Stocks in financial services also fared well.

Laggards for the quarter included long-distance telecommunications, which lost 13.5 per cent. This could be attributed almost entirely to the troubles of AT&T, which posted disappointing results for the second quarter and then warned that third quarter earnings would be similar. Airlines also were down 13.6 per cent for the quarter, the sector dogged first by the ValuJet and TWA catastrophes and then by costs and profits warnings by companies such as American Airlines. They complained that higher fuel costs, resulting from the situation in Iraq, would affect margins.

Other sectors which endured a painful summer included broadcasters (down 12.33 per cent), and hotels (off 12 per cent). Tobacco

London Changing face of Footsie

Philip Coggan looks back as the index tops 4,000

In 1984, when the FTSE 100 index was launched with a base level of 1,000, Nigel Lawson was chancellor, England were losing to New Zealand and Pakistan at cricket and the film Sudden Impact, starring Clint Eastwood, was about to open at the UK box office.

In March 1987, when Footsie reached 2,000, Nigel Lawson was still chancellor, England were about to lose to Pakistan at cricket, and the Color of Money was on show at British cinemas.

In August 1993, when the index passed 3,000, Kenneth Clarke was chancellor, England were losing to Australia at cricket, and filmgoers were flocking to see Much Ado About Nothing.

This week the index passed 4,000. Kenneth Clarke is still chancellor, England's cricketers have just lost (again) to Pakistan and the big film this week is Courage Under Fire (must viewing for the fund managers at PDPF).

perhaps). Cultural historians might conclude from all this that films may change but stock markets always go up; British cricketers are always useless; and chancellors are, to put it gently, built for comfort rather than speed.

Of the original Footsie constituents, 55 have survived in today's index in more or less recognisable form although some, such as Royal Insurance and Sun Alliance, have merged into one and others, such as Thorn EMI, have split.

The clairvoyant investor who perused the original line-up would have selected Reed International, Glaxo, Unilever, GUS and Scottish & Newcastle as the top performers; a portfolio consisting of those stocks would have returned 829.8 per cent since the start of 1984.

The unlucky investor would have ended up with corporate disasters such as British & Commonweath

and Ferranti, neither of which remains with us. Asda still is part of the index but its shares have gained just 3 per cent since January 1984, making it the worst performing survivor.

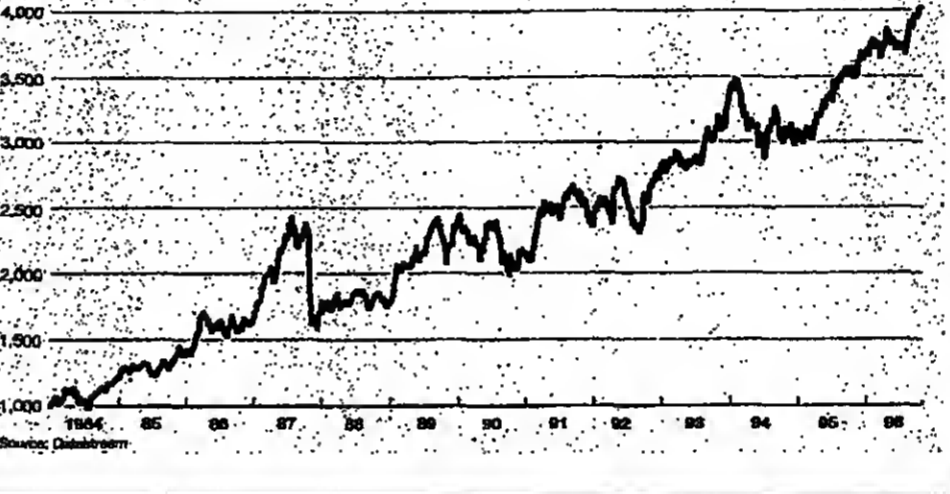
The changing list of constituents reflects partly the enthusiasm of UK industry for takeovers - the fate of BET, BHS, Britoil, Consolidated Gold Fields, Distillers, Eagle Star, Fisons, Globe Investment Trust, Hambro Life, Hawker Siddeley, IC Gas, Midland Bank, Plessey, Rowntree, Trusthouse Forte and Ultramar. Some groups - such as Imperial, which rejoined the index this week - have been swallowed up and then disgorged again. But some of the changes reflect political and economic shifts.

Privatisation has brought in British Telecommunications, BAA, British Gas, Railtrack, British Airways, British Steel and a shifting cast of water and electricity



Footsie: Sudden impact in 1984, and still making investors' days hot

Scaling new peaks



Highlights of the week					
	Price	Change	52 week	52 week	
	Y day	on week	High	Low	
FTSE 100 Index	4024.8	+75	4024.8	3480.3	4th quarter optimism
Bank of Scotland	276	+20 1/2	316	227 1/2	Better than expected figures
British Airways	994 1/2	+6 1/2	996 1/2	453	Traffic figures
BP	687 1/2	+33	690 1/2	457 1/2	Oil price strength
EMI Group	1278	+6 1/2	1488	993	HSBC James Capel downgrade
Enterprise Oil	583 1/2	+37	588	329	EMI bid speculation
Inspirations	101 1/2	+6 1/2	152 1/2	82	Profits warning
Kwik Save	319 1/2	+10 1/2	701	308	Old merger rumours
National Grid	178	+9	214 1/2	164 1/2	Better than expected price review
Orange	190	+8 1/2	254	173	New subscription prices
Rank On	649 1/2	+16 1/2	547	388	Trump set-up in Atlantic City
Rolls-Royce	288	+30 1/2	288 1/2	149 1/2	Henderson Cresthaven buying
Royal Bk of Scotland	529 1/2	+38	638 1/2	482	Bid speculation
Sainsbury (J)	361 1/2	+13 1/2	438	355	Competition fears
United News & Media	665	+30 1/2	758	510	Uncertainty over acquisition plans

groups. New industries, such as cellular communications (Orange and Vodafone) and satellite broadcasting (BSkyB), have muscled their way into the index.

Back in 1984, the hypothetical clairvoyant who could have foreseen today's Footsie constituents would have selected Schroder, the merchant bank and fund management group, as the single stock to buy. The shares have risen in value twenty-fold over the past 12 1/2 years.

The index itself has done pretty well to record a four-fold increase in value. If it continues at this pace, we shall be celebrating the passing of 16,000 some time in 2009.

It would, however, be a mistake to think that the stock market conditions of the previous 13 years will last forever. There have been only two "down" years for equities: 1990 and 1994. Even the crash of 1987 is a blip compared with the sort of bear market which occurred in 1973 and 1974 when shares fell by 34.9 per cent and 54.7 per cent respectively, according to BZW's equity-gilt study.

For the moment, low inflation and interest rates are boosting the prices of financial assets the world over. On Wednesday, when Footsie first passed 4,000, equity markets in Amsterdam, Brussels, Copenhagen, Dublin, Frankfurt, Istanbul, New York and Oslo hit all-time highs. But, in spite of Footsie's latest landmark, London actually has been 1996's worst performing major market, rising only 7.2 per cent

in the first three quarters compared with a 14.7 per cent local currency gain by the Europe (ex-UK) index.

To some extent, then, the London market might be catching up with the rest of the world. UK investment institutions generally were cautious about domestic equities in the first half of the year and this week's rally, which coincided with the start of the fourth quarter, could have seen them deciding to shift some funds back into the market.

Bonds generally have been supportive since the US Federal Reserve decided against raising interest rates. Gilts also have benefited from a rally in European bonds, with investors buying "convergence" plays such as Spain and Italy on hopes of monetary union. Once it reached the stage, as it did this week, when Spanish debt yields were the same as the UK's, gilts started to look like a bargain.

Yesterday's weak US non-farm payroll numbers will have helped bonds to sustain their recent rally, by further reducing fears of a US rate rise. Footsie which had lost touch with 4,000 during the morning, duly regained it in the afternoon.

Amid all this euphoria, a note of caution comes from Richard Jeffrey, Charterhouse group economist, who predicted Footsie would reach 4,000 this year. But he thinks interest rates will rise next year, leaving Footsie at just 4,000 by the end of 1997.



Barry Riley Easy money that won't last Warning signals that will frighten off the speculators

This week, hiccupping only briefly, the FTSE 100 index broke through 4,000. It is tempting to list domestic reasons for its strength, including an acceleration of economic growth and a waning of the fears about the consequences of a Labour election victory. Perhaps a Blair market need not be a bear market, after all. But the passing of this landmark and the coincidental approach by the Dow Jones Industrial Average in New York to the 4,000 level, are only details of a bigger picture.

Thus the leveraged players - of which the most famous are the big "macro" hedge funds - appear to be mounting another assault upon the global securities markets. The triggers may have been events in August. First, the "Tankan" industrial survey in Japan indicated that the economic recovery there was fading badly. Then, in Europe, the Bundesbank at last decided to cut short-term interest rates in a way which suggested it was under pressure to bail out the French and other depressed continental economies.

Hedge fund managers could then be confident that ultra-cheap money, including yen at 0.5 per cent, Swiss Francs at 1.5 per

cent and D-Marks at 3 per cent, would be available freely for at least the rest of the year. Since last week speculation in more risky paper such as Swedish government bonds: on these, the yield has crashed by a full percentage point in just over a month. The UK's gilts, dogged by Euro-scepticism, have been rather slow to join this party but they have had a good week.

We should note, in particular, the sudden dive in the real yield on index-linked gilts from 3.7 to 3.4 per cent inside a month. This has opened up head-room for the dividend yield on UK equities to fall, and is the immediate reason why Footsie has surged.

Long-term real yields normally are quite stable, and sudden step changes often have obscure external, rather than domestic, causes. For instance, the sharp rise in the

index-linked gilt yield last winter, from 3.5 to 3.8 per cent in a six-week period, reflected the shock transmitted through the global markets as the leveraged players liquidated major positions because of a scare over a rise in the yen against the dollar (prevented, in the end, by

At some point before long, the speculative players will move to take their profits

massive official foreign exchange market intervention). Recently, it seems, the opposite has been happening, with a big injection of liquidity into the bond markets. We can only guess about where it is coming from, although some say the Japanese investment institutions have become more venturesome.

There is a risk that, in the short run, governments will interpret this fall in their borrowing costs as a sign of approval of their policies. Deficit-ridden regimes certainly are not being penalised - far from it - for

continuing to mop up and dissipate the world's savings on a reckless scale. But fundamentals cannot be floated for long. It is unlikely that genuine domestic investors will buy US Treasury bonds on any great scale at yields under 7 per cent or, in Germany, bonds at under 6 per cent. Germany, in particular, could once again lose control of monetary growth.

We are struggling to understand the effect of trillions of dollars sloshing around the world's markets. We have a better understanding of more-or-less closed economies. Consider the US, for instance, where a surge of economic growth, such as we have been seeing recently, should cause the trade deficit to widen (indeed, this is happening) and the dollar to weaken, with pressure on domestic interest rates to rise (of which, however, there is no sign).

In fact, the dollar's level is, effectively, being controlled by a few foreign central banks, notably the Bank of Japan. A current conspiracy theory says these institutions are conspiring with the US Treasury to hold up the dollar ahead of the election. Intervention was very large early in 1996 but much smaller during the late

spring and summer when there was a temporary squeeze on the bond and stock markets (and dollar bond yields actually rose quite sharply). Recently, though, there has been a tell-tale resurgence in the purchases, reported weekly, of US Treasury securities by foreign central banks (they have bought more than \$100bn worth in the past 12 months, and hold a record \$981bn in all).

This energetic recycling of the US trade deficit into treasuries, to the tune of \$80bn last week, has removed any market pressure on the Federal Reserve chairman, Alan Greenspan, to raise interest rates.

These remain heady times of loose and mobile money and of high valuations for financial assets. As in 1993 junk paper like Brady bonds is all the rage. At some point before very long, however, the speculative players will take their profits. They will want to get out before there is any significant sign of inflationary tightening in the US labour market, and before an economic recovery in Japan and continental Europe cuts off the supply of cheap credit. Then, suddenly, Sweden will no longer be the flavour of the month. And 4,000 on Footsie will be just a pleasant memory.

Offshore managed funds and UK managed funds are listed in Section One

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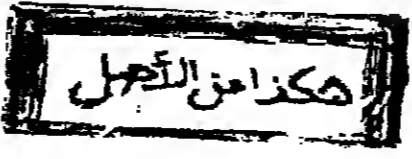
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Table of FT Managed Funds Service listing various unit trusts and their performance metrics. Includes sections for FT Cyteline Unit Trust Prices, FT Managed Funds Service, and FT Cyteline Unit Trust Prices.

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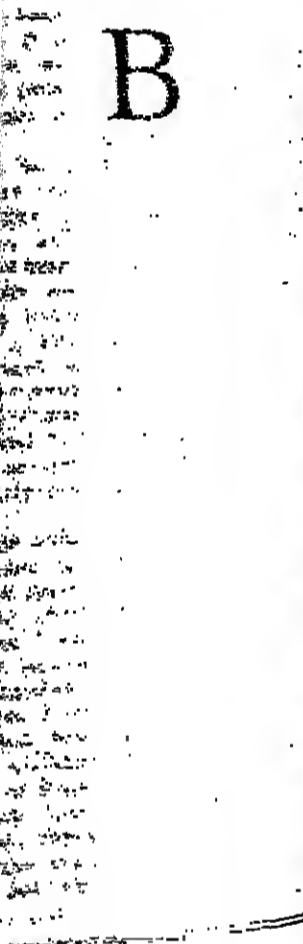
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INSURANCES

Table of Insurances listing various insurance policies and their details.

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FT MANAGED FUNDS SERVICE

Insurances, Money Markets and Other
FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4376 for more details.

Table with multiple columns listing various insurance and financial products, including company names, fund names, and prices.

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Money Market Trust Funds

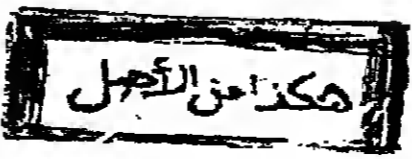
Table listing Money Market Trust Funds with columns for fund name, price, and other details.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rates.

MANAGEMENT SERVICES

Table listing Management Services with columns for service name, provider, and details.



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OFFSHORE AND OVERSEAS

BERMUDA (REGULATED)

Table listing various offshore funds with columns for Name, Class, and Price. Includes funds like Bermuda Global Fund, Bermuda Income Fund, etc.

BERMUDA (REGULATED)

Table listing various offshore funds with columns for Name, Class, and Price. Includes funds like Bermuda Growth Fund, Bermuda Bond Fund, etc.

GUERNSEY (REGULATED)

Table listing various offshore funds with columns for Name, Class, and Price. Includes funds like Guernsey Global Fund, Guernsey Income Fund, etc.

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GUERNSEY (REGULATED)

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IRELAND (REGULATED)

Table listing various offshore funds with columns for Name, Class, and Price. Includes funds like Ireland Global Fund, Ireland Income Fund, etc.

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ISLE OF MAN (REGULATED)

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Offshore Funds

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The Financial Times plans to publish a Survey on Manchester on Tuesday, November 12. For further information on advertising and full editorial synopsis, please contact: Pat Looker. Tel: 0161 834 9381. Fax: 0161 832 9248. or write to her at: Alexandra Buildings, Queen Street, Manchester M2 5LF.

FT Surveys

Table listing various FT Surveys with columns for Name, Class, and Price. Includes surveys like FT Global Survey, FT Income Survey, etc.

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ISLE OF MAN (REGULATED)

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JERSEY (REGULATED)

Table listing various offshore funds with columns for Name, Class, and Price. Includes funds like Jersey Global Fund, Jersey Income Fund, etc.

JERSEY (REGULATED)

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Offshore Funds and Insurances

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LUXEMBOURG (SIB RECOGNISED)

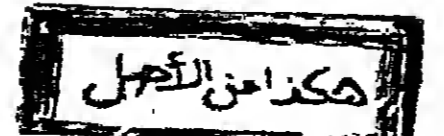
Main table containing fund names, ISIN numbers, and prices for various offshore funds and insurances. Includes sections for Fidelity Funds, Mercury Asset Management, and others.

LUXEMBOURG (REGULATED)

Table containing regulated fund names, ISIN numbers, and prices.

OFFSHORE INSURANCES

Table listing various offshore insurance policies and their details.



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Table of fund prices for various categories including Global, UK, and Offshore funds. Columns include fund name, price, and change.

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Advertisement for The Butlers Wharf Chop House. Text includes: 'THE BUTLERS WHARF Chop House Happy Birthday', 'Sir Terence Conran's decidedly British Restaurant...', 'Lunch in the Bar for £5', 'Lunch in the Restaurant for £10', and contact information.

OTHER OFFSHORE FUNDS

Table listing other offshore funds with columns for fund name, price, and change.

MANAGED FUNDS NOTES: This fund price is based on the latest available information. It is not intended to be used as a basis for investment decisions. The fund price is subject to change without notice.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

Table listing stock market data for North America, including US and Canadian markets. Columns include stock symbols, prices, and changes.

EUROPE

Table listing stock market data for European markets, including UK, Germany, France, and others.

ASIA

Table listing stock market data for Asian markets, including Japan, Hong Kong, and others.

AUSTRALIA

Table listing stock market data for Australia.

AFRICA

Table listing stock market data for African markets.

Advertisement for Peregrine Global Distribution, featuring an eagle logo and text: 'Peregrine has the world's largest team dedicated to the international distribution of Asian securities.'

INDICES

Table showing various stock indices and their performance over time.

US INDICES

Table showing US stock indices and their performance.

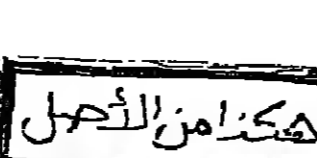
AFRICA

Table showing African stock indices and their performance.

PACIFIC

Table showing Pacific stock indices and their performance.

Market summary and closing notes for the weekend, including a note about the FTSE 100 and other market movements.



WORLD STOCK MARKETS

Receding rate worries lift Dow

US share prices moved higher in early trading as weakness in the September employment report sent the long bond yield below 6.75 per cent and sparked optimism that the Federal Reserve might not raise interest rates this year.

added 5.88 at 5781.6. Volume on the New York Stock Exchange came to 280m shares.

trade the Morgan Stanley index of cyclical shares was 0.5 per cent lower, while the counterpart index of consumer goods was 1 per cent stronger.

Helped by the bounce in Wall Street, a strong local bond market and a better bullion price, the 300 composite index was up 17.30 at 5,397.3 at noon.

its fourth straight daily advance after a morning of strong trading. At noon the Bovespa index was sitting on a gain of 433 to 68,491, and traders were said to be confident of a further progress later in the session.

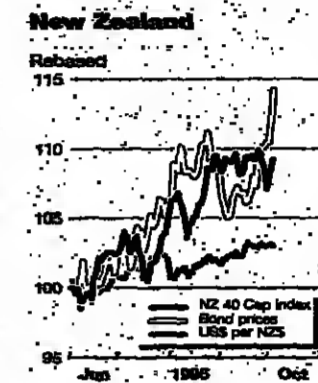
Pre-election boom in New Zealand's paper

Foreign investors are dominant, writes Terry Hall

Overseas investors - obviously unworried at the prospect of a change of government in next Saturday's elections - are making all the running in New Zealand's financial markets.

Confounding local pessimists, long-term interest rates have tumbled in recent trading, the dollar has risen and the equity market continues to perform strongly.

Overseas investors have dominated trading in equities. This was shown on Monday, traditionally the day when domestic investors have the market to themselves - the local market tends to await direction, as



Eight bourses register all-time highs

Weaker than expected US jobs data put more punch into bourses, and eight of them, compared with Thursday's four, registered new all-time highs. In the big group, Frankfurt, Amsterdam and Stockholm, and in the lower divisions, Copenhagen, Oslo, Dublin, Istanbul and Budapest.

Holzmann called the report "factually incorrect and speculative". AMSTERDAM's AEX index gained 3.94 to 584.93 as bid talk flared up around Aegon, the insurance group, taking the shares more than 3 per cent.

FRF875 as talk ran round the market that its bid for CIC would not succeed. Retailers were strong on takeover gossip, Carrefour gained FRF83 to FRF2,947 and Promodes, linked to Casino via press speculation, jumped FRF74 to FRF1,388.

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the company told London analysts that it would co-opt two board members to represent international investors. Tecnot, one of four businesses to be sold by Olivetti and which makes automated teller machines for banks and ticketing systems, finished with a gain of L319 at L3,575.

Table with 2 columns: City, % Change. Includes Istanbul (+2.7), Zurich (+2.9), Amsterdam (+2.4), Paris (+2.2), Stockholm (+2.1), Oslo (+2.1), Copenhagen (+1.9), Dublin (+1.8), Frankfurt (+1.7), Milan (+1.7).

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Nikkei dips, Bombay drops 2.9%

Y50 on Thursday. Other major carmakers also fell. Electricals continued to slide. Hitachi, which revised down its forecast for consolidated net earnings in the fiscal second half to March 31, fell Y10 to Y1,070 and Sony shed Y50 to Y7,000.

quances" after the deaths of 22 of its soldiers, who went ashore from a submarine two weeks ago. The composite index fell 17.58 to 778.43.

again modest at B17.2bn. HONG KONG's blue chips turned sharply lower, ending a seven session winning streak, while China shares took up the running. The Hang Seng index closed 109.05 lower at 11,905.51 in turnover of HK\$6.9bn, while the H-share index gained 15.08 to 883.89.

MANILA recovered towards the close and the composite index ended 0.88 higher at 3,131.14. Ayala Land, the big property group hit by heavy selling on Thursday, saw further initial losses but rallied in the final hour of trading to close all-square at 30 pesos.

Table with 2 columns: City, % Change. Includes Sydney (+1.4), Hong Kong (+1.2), Wellington (+1.0), Tokyo (-1.9), Seoul (-2.1), Manila (-2.9), Bangkok (-2.1), Bombay (-4.7).

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LONDON EQUITIES

Table with columns: Index, High, Low, Change. Includes Nikkei, Bombay, etc.

Table with columns: Index, High, Low, Change. Includes Nikkei, Bombay, etc.

LIFE EQUITY OPTIONS

Table with columns: Call, Put, Index, High, Low, Change.

RISES AND FALLS

Table with columns: Index, High, Low, Change.

LONDON RECENT ISSUES: EQUITIES

Table with columns: Issue, Price, Change.

RIGHTS OFFERS

Table with columns: Issue, Price, Change.

FT 30 INDEX

Table with columns: Index, High, Low, Change.

FT 30 INDEX

Table with columns: Index, High, Low, Change.

TRADEPOINT INVESTMENT EXCHANGE

Table with columns: Index, High, Low, Change.

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LONDON STOCK EXCHANGE - DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be construed without permission. The data is now delivered by EasTel, part of Financial Times Information.

Prices are those at which the business was done on the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

Bargains at special prices. * Bargains done the previous day.

British Funds, etc

British Funds, etc
Investment 100% (10/05/96)
Investment 100% (10/05/96)
Investment 100% (10/05/96)

Corporation and County Stocks

Corporation and County Stocks
City of London (10/05/96)
City of London (10/05/96)
City of London (10/05/96)

UK Public Boards

UK Public Boards
London & South East (10/05/96)
London & South East (10/05/96)
London & South East (10/05/96)

Foreign Stocks, Bonds etc

Foreign Stocks, Bonds etc
Foreign Stocks, Bonds etc
Foreign Stocks, Bonds etc

Coupons payable in London

Coupons payable in London
Coupons payable in London
Coupons payable in London

Debt Issuance Programmes

Debt Issuance Programmes
Debt Issuance Programmes
Debt Issuance Programmes

Overseas Borrowers

Overseas Borrowers
Overseas Borrowers
Overseas Borrowers

Listed Companies (excluding Investment Trusts)

Listed Companies (excluding Investment Trusts)
Listed Companies (excluding Investment Trusts)
Listed Companies (excluding Investment Trusts)

British Petroleum Co PLC ADR (12/1) 850/
British Petroleum Co PLC 9% Cum 1st Pt 81
British Petroleum Co PLC 9% Cum 2nd Pt 81
British Petroleum Co PLC 9% Cum 3rd Pt 81

Investment Co PLC Plg Pst 50p - 92
Investment Co PLC Plg Pst 50p - 92
Investment Co PLC Plg Pst 50p - 92

University of Lancaster 9% 1st Mtg Deb 84
University of Lancaster 9% 1st Mtg Deb 84
University of Lancaster 9% 1st Mtg Deb 84

FTSE ACTUARIES SHARE INDICES
The FTSE Actuaries Share Indices are calculated in accordance with a standard set of ground rules established by FTSE International in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

Continuation of stock exchange deals from previous page, including various PLC shares and bonds.

Continuation of stock exchange deals from previous page, including various PLC shares and bonds.

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Continuation of stock exchange deals from previous page, including various PLC shares and bonds.

Advertisement for FT Discovery. Includes image of a fish and text: 'Fed up with fishing for business information? FT Discovery. The instant way to hook the information you need.' Includes contact details and a coupon form.

Advertisement for FT Business Travel Survey. Includes image of a survey form and text: 'FT Business Travel Survey arrives Monday. The Business Travel Survey will be published with the Financial Times on Monday, October 7.'

Handwritten text at the bottom of the page: 'هكذا من النحل'

LONDON STOCK EXCHANGE

US news helps FTSE 100 to another record

MARKET REPORT Steve Thompson, FT Stock Market Editor

There were whoops of excitement around the City's trading rooms as the US non-farm payroll report...

loped ahead. The index rose steadily for the rest of the session and eventually closed a net 24.8 higher at 4,024.8.

"His reputation is intact and his instincts have been proved right. He's always been conservative and cautious and we should have trusted his record," said one admiring trader.

Industrial America slip back and Treasury bonds settle only marginally ahead, triggering a cautious start in London.

Mr Richard Jeffrey, who has long had a 4,000 end-year forecast for Footsie, warned that, while there might be 5 per cent upside left in the market, it might prove risky to chase that gain.

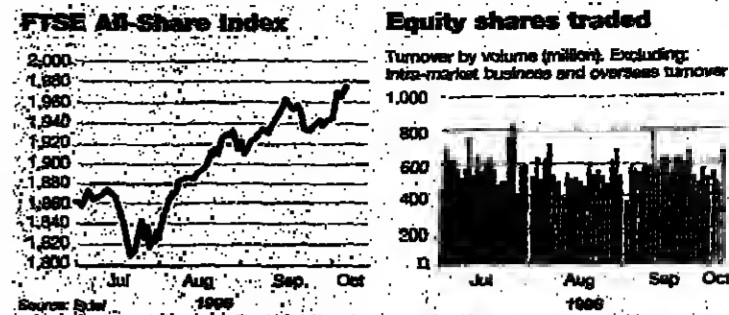


Table with FTSE 100 Index closing index for Oct 4 at 4024.8, change over week at +78.4, and various indices and ratios.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume in major stocks including BA, BT, BTB, etc., with columns for Vol. Closing Day's % Change.

EQUITY FUTURES AND OPTIONS TRADING

A firm Wall Street response to positive US economic data helped the session at 4,062, up 29 on its previous close...

Table showing FTSE 100 INDEX FUTURES (LIFTS) and FTSE 250 INDEX FUTURES (LIFTS) with columns for Open, Settle, Price Change, High, Low, Est. Vol, Open Int.

Table showing FTSE 100 INDEX OPTION (LIFTS) and EURO STYLE FTSE 100 INDEX OPTION (LIFTS) with columns for Open, Settle, Price Change, High, Low, Est. Vol, Open Int.

Table titled FTSE - LEADERS & LAGGARDS showing percentage changes since December 29 1995 based on Friday October 4 1996.

BA soars to new record

International carrier British Airways cruised into pole position as the market reflected on news that the European Commission is expected to recommend the legalisation of the buying and selling of airport slots.

UBS, the company's broker, reiterated its buy stance on the stock following the report. Yesterday's buyers found a stock already heavily in demand.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various stocks like BHP, BT, BTB, etc., with columns for Stock Name and Change.

NEW 52 WEEK HIGHS AND LOWS

NEW 52 WEEK HIGHS: BHP, BT, BTB, etc. NEW 52 WEEK LOWS: BHP, BT, BTB, etc.

FTSE Actuaries Share Indices

Table showing FTSE Actuaries Share Indices for various sectors like General, Insurance, etc., with columns for Days, Year, etc.

The UK Series

Table showing UK Series indices like Retail, Industrial, etc., with columns for Days, Year, etc.

The Financial Times plans to publish a Survey on... The survey will focus on: Banking, investment funds, insurance (including captives)...

THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company") £2,000 nominal debentures 1996/2000 Series

Table showing currency movements for various currencies like US Dollar, Japanese Yen, etc., with columns for Open, 10.00, 11.00, etc.

Table showing FTSE 100 High: 4:26 PM L05 AM and FTSE 350 Industry baskets with columns for Sector, Open, 10.00, 11.00, etc.

Isle of Man Essential Christmas Guide £400 panel - mono £700 panel - colour

OFFER FACILITY OFEX is a trading facility for shares dealing in unquoted companies. STREX traded on OFEX should be considered high risk investments.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector.

CHEMICALS

Table listing companies in the Chemicals sector.

CHEMICALS - Cont.

Continuation of Chemicals sector table.

DISTRIBUTORS

Table listing companies in the Distributors sector.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector.

ELECTRICITY

Table listing companies in the Electricity sector.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Eqpt sector.

ENGINEERING

Table listing companies in the Engineering sector.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of Electronic & Electrical Eqpt sector table.

ENGINEERING

Continuation of Engineering sector table.

ENGINEERING, VEHICLES

Continuation of Engineering, Vehicles sector table.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries sector table.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries sector table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

ENGINEERING

Continuation of Engineering sector table.

ENGINEERING, VEHICLES

Continuation of Engineering, Vehicles sector table.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries sector table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries sector table.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries sector table.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries sector table.

HOUSEHOLD GOODS - Cont.

Continuation of Household Goods sector table.

INSURANCE

Table listing companies in the Insurance sector.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts sector table.

INSURANCE

Continuation of Insurance sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

Advertisement for Rockwell featuring the text: 'To be a world leader in diverse businesses you need the very best scientists and engineers. Rockwell has 15,000 of them.' and the Rockwell logo.

ENGINEERING - Cont.

Continuation of Engineering sector table.

ENGINEERING, VEHICLES

Continuation of Engineering, Vehicles sector table.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries sector table.

FOOD PRODUCERS - Cont.

Continuation of Food Producers sector table.

FOOD PRODUCERS

Continuation of Food Producers sector table.

FOOD PRODUCERS

Continuation of Food Producers sector table.

FOOD PRODUCERS

Continuation of Food Producers sector table.

HOUSEHOLD GOODS

Continuation of Household Goods sector table.

HOUSEHOLD GOODS

Continuation of Household Goods sector table.

HOUSEHOLD GOODS

Continuation of Household Goods sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

INVESTMENT TRUSTS

Continuation of Investment Trusts sector table.

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INVESTMENT TRUSTS - Cont.

Table listing various investment trusts with columns for Name, Price, and other financial metrics.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and other financial metrics.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and other financial metrics.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and other financial metrics.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies (continued) with columns for Name, Price, and other financial metrics.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and other financial metrics.

MEDIA

Table listing media companies with columns for Name, Price, and other financial metrics.

OTHER FINANCIAL

Table listing other financial companies with columns for Name, Price, and other financial metrics.

PAPER, PACKAGING & PRINTING - Cont.

Table listing paper, packaging, and printing companies (continued) with columns for Name, Price, and other financial metrics.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and other financial metrics.

PROPERTY

Table listing property companies with columns for Name, Price, and other financial metrics.

PROPERTY - Cont.

Table listing property companies (continued) with columns for Name, Price, and other financial metrics.

RETAILERS, FOOD

Table listing retailers and food companies with columns for Name, Price, and other financial metrics.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and other financial metrics.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and other financial metrics.

SUPPORT SERVICES - Cont.

Table listing support services companies (continued) with columns for Name, Price, and other financial metrics.

TELECOMMUNICATIONS - Cont.

Table listing telecommunications companies (continued) with columns for Name, Price, and other financial metrics.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and other financial metrics.

TOBACCO

TRANSPORT

Table listing tobacco and transport companies with columns for Name, Price, and other financial metrics.

WATER

Table listing water companies with columns for Name, Price, and other financial metrics.

AIM - Cont.

Table listing AIM companies (continued) with columns for Name, Price, and other financial metrics.

AMERICANS

Table listing American companies with columns for Name, Price, and other financial metrics.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and other financial metrics.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and other financial metrics.

AIM

Table listing AIM companies with columns for Name, Price, and other financial metrics.



GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Etil, part of Financial Times Information. Company classifications are based on those used for the FTSE Actuaries Share Indices. Closing bid prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices. Where stocks are denominated in currencies other than sterling this is indicated after the name. Symbols referring to dividend status appear in the notes column. Daily as a guide to yields and PE ratios. Dividends and Dividend covers are published on Monday. Market capitalization shown is calculated separately for each list of stock listed.

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FINANCIAL TIMES

Weekend October 5/October 6 1996

LEGAL DEFINITIONS... LAWYERS FOR BUSINESS

British carrier urges Brussels to block 'illegal use of state aid' BA opposes French airline sale

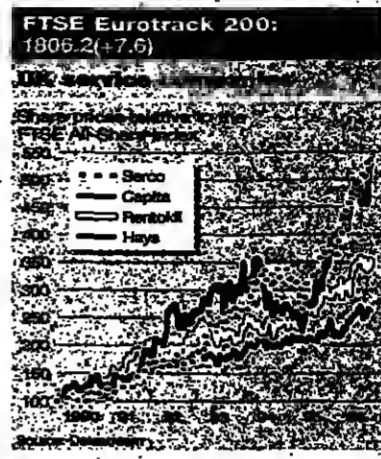
By Michael Stappin in London

British Airways has asked the European Commission to block "with utmost urgency" the sale of Air Liberté...

from Crédit Lyonnais to the Consortium de Réalisation (CDR), a new vehicle, as part of the bank's restructuring...

THE LEX COLUMN Olivetti's board game

Olivetti is playing an elaborate game of cat and mouse. Last month the De Benedetti family, which controls the troubled Italian electronics group's board...



limited. In areas such as distribution and telecom there is also an opportunity to create pan-European networks to capture lucrative cross-border business...

SNB resisted claims on Nazi gold

By William Hall in Zurich

The Swiss National Bank resisted calls from the Bern government for it to give up some of its reserves to help settle Allied claims on looted Nazi gold after World War II.

Swiss government urged national bank to settle Allied demands

criticism of the country's dealings with Nazi Germany. Although the then government publicly supported the SNB's actions, it felt it had been misled about the volume of German gold sales and accused the bank of withholding information.

Rosy, two of the SNB's top three officials, accused each other of knowing that the central bank was buying looted Nazi gold. Mr Rosy wrote to the Swiss finance ministry threatening to resign...

High price of using Internet in Burma

Continued from Page 1

which appears on the Internet is posted by people outside the country who get their information through alternative channels.

sanctions legislation to human rights abuses against ethnic minorities. But subscribing to Burmanet would constitute membership in a computer club under the Sior's law.

partly due to the ease with which they can distribute information over the Internet. "The irony of Burmanet is that people outside know more about Burma than people inside," said Ms Christina Fink...

Weak US jobs figures

Continued from Page 1

weak. Manufacturing employment fell 57,000 last month, with the largest declines in industrial machinery and transport equipment.

Olivetti to appoint non-Italian directors

Continued from Page 1

year. He also said that the L1,200bn (\$791m) disposal programme unveiled earlier this week was necessary to stop the group sinking further into debt.

itself double the amount at the end of June. Mr Colaninno, who was speaking after presenting his strategy for turning the group around to shareholders and analysts in London, revealed that Olivetti's banks had been pressing for asset sales.

For next year Mr Colaninno has set a target of neutral cash flow before disposals and investments, despite his expectation that the company will make losses. He said he intended to achieve this by tightening up on working capital, which he aimed to cut by L500bn by the end of 1997.

Economists warned against reading too much into one month's data. Employment has risen steeply this year with average monthly gains exceeding 200,000. Occasional declines in such periods are not uncommon.

FT WEATHER GUIDE Europe today... Today's Temperatures... Lufthansa logo and slogan.

A Unique Collecting Opportunity by Special Arrangement with the Royal Geographical Society. CHARLES DARWIN'S The ZOOLOGY of the VOYAGE of HMS BEAGLE. Application for PROSPECTUS.

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